

WRITERS & SCHOLARS EDUCATIONAL TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

Charity Number: 325003

WRITERS & SCHOLARS EDUCATIONAL TRUST
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WRITERS & SCHOLARS EDUCATIONAL TRUST

INTRODUCTION

FOR THE YEAR ENDED 31 MARCH 2017

"Maybe I cannot join you in London but I can refuse to be silent. And you, friends, can refuse to be silent too. You can refuse to let these people silence me. Together, we can refuse to look away." - Ildar Dadin, 2017 Index on Censorship Awards Fellow

Summary

The period under review presented no shortage of crises for free expression: from the crackdown in Turkey on journalists, artists and academics to the sobering pronouncements on a free media from US President-elect Donald Trump, the year was a challenging one for free speech.

Faced with increasingly heated and sometimes hateful debate and calls for ever greater curbs on free expression, Index stood its ground: free expression is a universal right and one that must be defended for all -- not just those with whom we agree.

The quality of our work was reflected in two awards: an editor of the year award for the magazine's Rachael Jolley, and one presented to a coalition of international organisations, including Index, campaigning for media freedom in Turkey.

We were delighted that our long-standing work on censorship and risk-taking in the arts was recognised at the end of 2016 by Arts Council England, who awarded us a major grant to develop our legal guidance on free expression and the arts into practical workshops for trustees and senior managers in arts organisations.

Our project to monitor threats to media freedom in Europe produced more than 1,300 reports in 2016, which was double the previous year, with the highest profile cases being taken up by the Council of Europe. We also forged new partnerships in the United States and are now part of a coalition undertaking similar monitoring work there.

New funders came on board in 2016/17 and new partnerships were formed -- in December we announced CNN as our media partners for the 2017 Freedom of Expression Awards, while free speech enthusiasts Flying Dog Brewery sponsored a number of our events. Broadening Index's supporter base continues to be a major focus and we are delighted to have formed so many new alliances.

ACTIVITIES AND OUTCOMES

1. INFORM

Index seeks to broaden and deepen public understanding of global threats to freedom of expression as the first step to addressing those threats. Without such information, individuals are unable to make the informed decisions that are crucial for full participation in a free society.

Magazine

Truth in Danger: Danger in Truth (Summer 2016)

Index on Censorship dedicated its milestone 250th issue to exploring the increasing threats to reporters worldwide. Its special report featured Channel 4's International Editor Lindsey Hilsum, writing about friend and colleague, the murdered war reporter Marie Colvin. Investigative journalist Stephen Grey looked at the difficulties of protecting sources in an era of mass surveillance. We also published an exclusive play extract from late Swedish crime writer Henning Mankell.

The Unnamed: does anonymity need to be defended? (Autumn 2016)

In this issue we considered the pros and cons of masking identities and included an essay written for us by Booker Prize winner Hilary Mantel. Former CIA agent Valerie Plame Wilson wrote about the damage done when her cover was blown. Edward Lucas shared The Economist's perspective on keeping its writers unnamed. We featured poetry from Russian writer Maria Stepanova, plus new fiction from Turkey and Egypt.

Fashion Rules - Dressing to oppress: why dress codes and freedom clash (Winter 2016)

This edition of the magazine explored how people express freedom through what they wear and looked at how women in particular have their freedom of expression curtailed by rigid dress codes. The issue included interviews with models Lily Cole and Daphne Selfe, writing by former Elle editor Maggie Anderson and novelist Linda Grant, plus a never before seen English translation of a story by legendary Argentine writer Haroldo Conti.

ACTIVITIES AND OUTCOMES (continued)

The Big Squeeze: Freedom of expression under pressure (Spring 2017)

The spring issue of Index on Censorship magazine focused on how pressures on free speech currently come from many different angles. It included a special feature on how to spot fake news, articles from former BBC World Service director Richard Sambrook and former UK attorney general Dominic Grieve, an exclusive interview with a Spanish puppeteer arrested last year, and fiction from award-winning writer Karim Miské.

In October, Index on Censorship magazine editor Rachael Jolley was awarded Editor of the Year by the British Society of Magazine Editors in the special interest category. Jolley was recognised for her work at the helm of a publication which the BSME judges described as “an important voice which is needed now more than ever.” The award followed a retrospective of the magazine published in The Times Literary Supplement to mark our 250th issue.

Online

Index revamped and relaunched its website in 2016 to make it easier to search and better reflect what we do. Index's social media presence continued to grow during the year. The Index Facebook page has 10,632 likes as of July 2017 (compared to 9,226 likes in July 2016 – a 15% increase – and our main Twitter account had 58,300 followers (compared to 50,000 in July 2016 - a 17% increase). Our target is to increase these measures by at least 10 % year on year.

Page views for the site reached close to their all-time highs in October at 114,000 – up 75% on a year earlier – as we promoted our Freedom of Expression Awards nominations via partners such as Psiphon.

2. SUPPORT

Index supports anyone facing censorship and threats to their free expression. This includes writers, artists, scholars and freedom of expression campaigners, as well as painters, sculptors, photographers, musicians, filmmakers, theatre directors, actors and anyone else in the creative arts or active in research or teaching who is denied the right of free expression. We do this through publication and promotion of their work, through campaigning and through our annual awards.

Freedom of Expression Awards Fellowship

Index continues to put making voices heard at the heart of its work. There is no better example of this than our annual Freedom of Expression Awards Fellowship. The fellowship recognises some of the bravest and most creative defenders of free speech around the world whose achievements were honoured at a gala ceremony at The Unicorn Theatre.

Our goal is to help award winners with a specific project over their fellowship year to improve impact. We measure this through feedback from winners and the outputs themselves and have sought increased income for the awards to fund our fellowship work.

Financial support (via corporate and in-kind sponsorship) continues to increase year on year. We are grateful to Doughty Street Chambers, Google, Gorkana, Sage Publications, VICE News, Vodafone and the Unicorn Theatre for their support of the awards in 2016 and 2017. We are also grateful to AirBnB, Green Tomato Cars, The Guardian, Hide My Ass! And Patron Tequila for support in 2016 and to CNN, Edwardian Hotels, Flying Dog Brewery, Psiphon and Private Internet Access in 2017.

In 2016, each fellow received an initial week of training (c.6.5 hours of workshops and private consultations covering strategy, security and public speaking), private networking meetings (c.4 per fellow, designed to diversify support via senior figures from other NGOs, funders and their sector) and media interviews (average of 3 per fellow with broadcasters including BBC, ITN, Al Jazeera and digital outlets including Huffington Post, Middle East Eye and Thomson Reuters).

Other support during the year for the 2016 fellows included:

- advocacy and an all-party early day motion in the UK parliament challenging the seizure of journalism fellow Zaina Erhaim's Syrian passport;
- support in sourcing educational opportunities;
- providing Music in Exile Fellow Smockey with a £2000 contribution towards the rebuilding of his studio and purchasing of the equipment;
- refining business plan of campaigning fellows Bolo Bhi;
- exploring new fundraising models; and
- revising their strategy for 2017.

ACTIVITIES AND OUTCOMES (continued)

Feedback from winners was positive. One recipient wrote: "We feel fortunate that we were able to be an Index fellow. The way in which we operate means that we do not get many chances to discuss issues that are important to us in an in-depth and honest manner. Index provided us with much needed and valuable support on strategy, operations and finance. We were honoured to win [our] award but to be honest, the real prize has been the valuable support that we have received from Index over the past year. They are a partner, a stakeholder, a shoulder to cry on and a friend. We know that we can continue to count on them moving forward.... I don't think we will ever be able to repay you."

3. INFLUENCE

Index uses the expertise and information gathered in its magazine, in its online reporting and through specific projects to campaign for change on specific freedom of expression issues.

Index delivered and launched several successful campaigns and projects during the period under review: on media freedom, on art and offence, and on campus censorship, as well as a number of campaigns on individuals.

Media Freedom

Index's project to record instances of threats against journalists or media organisations in Europe came into its own in 2016. The Mapping Media Freedom project offers a highly detailed overview of the state of media freedom in the region by assessing threats at a local level, not just nationally or regionally. The reports and trends identified by the mapping project are being used by Index and other organisations to build advocacy campaigns to ensure better protections for journalists, and to better support individuals.

"Mapping Media Freedom is essential to getting to the bottom of the two biggest issues plaguing media today: violence against members of the media and impunity from prosecution by their assailants. I rely upon this Index on Censorship resource to keep me up-to-date and fully informed about the shape of media freedom in Europe." -- Dunja Mijatovic, former OSCE Representative on Freedom of the Media.

In particular, the data is providing valuable information for Index to advocate at European level, and our advocacy team was one of a high-level delegation to Ukraine in March 2017 that met with ministers and senior journalists to discuss concerns about the situation for media freedom there. Head of Advocacy Melody Patry was also one of the contributing editors for a book exploring safety of journalists.

We used the methodology refined from the MMF Europe project to examine the state of media freedom in the United States in the months before and after the inauguration of US President Donald Trump. The report: "It's not just Trump: US media freedom fraying at the edges" provided one of the first in-depth looks at the state of media freedom across the United States and was covered by respected journalism outlet Poynter among others.

In addition, Index campaigned directly on a number of press freedom issues, including against section 40 of the Crime and Courts Act, which could see media outlets forced to pay costs in a legal challenge even if their story is correct. Shortly after the end of the period under review, we submitted, with English PEN and RSF, a consultation response to plans for changes to the Official Secrets Act that could hamper investigative journalism.

Thanks to a grant from the Open Society Foundations, Index was able to publish 20 articles by censored writers and artists for our Turkey Uncensored project, which aims to cover stories of censorship not addressed by other media such as an article looking at the effect of bans on Kurdish arts festivals.

In August, Index was one of the nine groups honoured by the Turkish Journalists Association with its 2016 Press Freedom Prize. TGC awarded the coalition of international press freedom organisations with the award "for the unique solidarity... it showed against the assaults on press freedom in Turkey... and for instilling in their Turkish colleagues the feeling that they are not alone."

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2017

ACTIVITIES AND OUTCOMES (continued)

Arts

In early 2017, Arts Council England awarded Index on Censorship funding for the organisation's work tackling censorship and self-censorship in the arts. The £100,000 grant will be used to provide workshops for boards and senior management of arts organisations in England and Wales on issues of censorship and other ethical challenges as they affect programming, fundraising and managing controversy.

The programme develops the long-standing work by Index on censorship and self-censorship in the arts, including its 'Taking the Offensive' conference in the South Bank, which identified widespread self-censorship in the sector. In 2015, Index — in collaboration with a number of legal advisers and with the support of the Arts Council and Clifford Chance — produced a series of guidance booklets entitled 'Art and Offence' that examined various aspects of the law and freedom of expression in England and Wales. The guidelines on public order are being distributed nationwide by the police service to help officers better understand the issues faced by arts venues in hosting potentially controversial work, and police commanders will be invited to training workshops.

Online

Index was part of a coalition campaigning against UK government plans on extremism that could have severely limited freedom of expression in the country, especially online — although the campaign was largely quiet in 2016/17 as the government did not bring the planned bill to parliament or for consultation. We also continue to engage actively on the issue of online extremism/hate speech and censorship via our membership of a number of multilateral organisations, including as a board member of the Global Network Initiative.

Academic

We successfully completed a youth project looking at civil liberties and free speech entitled 'What a Liberty!' in which a group of 18 young people from across London developed a Magna Carta 2.0 outlining the freedoms they would like to see enshrined in law in the 21st century.

Thanks to a grant from partners Clifford Chance Index also began research on a paper, due to be published in autumn 2017, on the impact of free speech restrictions on US and UK campuses. In July 2016, we challenged the University of Cape Town following its decision to rescind an invitation to Danish editor Flemming Rose to speak on academic freedom.

We were pleased to establish a formal partnership with Wellesley College, Boston, during the period. In March, Index on Censorship CEO Jodie Ginsberg spoke at 'Censorship Awareness Week': a week of talks by distinguished thinkers and practitioners on free expression. We also initiated the Index/Wellesley internship programme, with two students joining Index for a two-month summer internship programme and three in 2017.

Individuals

We campaigned relentlessly for the release of former Index award winner and 2016 awards judge Nabeel Rajab, detained in Bahrain over tweets critical of the regime, as well as on behalf of others such as cartoonist Zunar, who faces up to 43 years in prison for lampooning the Prime Minister and government in Malaysia, and Zaina Erhaim, one of this year's Index award winners, whose passport was seized by the UK government in September at the behest of the Syrian government.

4. DEBATE

Open debate is a central tenet of free expression and Index actively promotes discussion about the limits and concerns surrounding free expression. The past 12 months have seen Index develop its range of events to an expanding set of audiences. Whether promoting the magazine, exploring complex topical debates, or highlighting Index's campaigns and priorities, the focus throughout has been on engaging ever more supporters, deepening their support and broadening our partners and networks.

WRITERS & SCHOLARS EDUCATIONAL TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2017

ACTIVITIES AND OUTCOMES (continued)

Public outreach

Debates and talks

Index staff take the debate on free expression to a wider audience on a regular basis. During the period under review, we spoke at events in the United States, Russia, Sweden, France and Belgium, as well as across the UK. We hosted or took part in more than 100 events (double that of 2015) during the course of 2016/17 – a significant number given our staff headcount of just 12 -- averaging almost two a week, and bringing our expertise to a total audience of more than 8,000 people.

Highlights included:

- Actor Simon Callow on Shakespeare and censorship at the Hay Festival
- Author Cory Doctorow on our complaisance on surveillance
- Talks on freedom of expression in Turkey with authors Ece Temelkuran and Kaya Genc
- An evening of censored songs by candlelight with Norwegian musician Moddi

Index also significantly increased the reach of the printed magazine through an increased roster of events in 2016/17. Some 500 magazines were distributed for free each quarter at magazine launches and other events.

Media

We have written for the New Statesman, Huffington Post and for Open Democracy, as well as receiving coverage in Al Jazeera, CNN, The Guardian, The Independent, Mail and Guardian, Press Gazette, The Stage, The Daily Telegraph and others. Index on Censorship magazine was covered in two major retrospectives on our work in the Times Literary Supplement and Irish Times.

Future plans

In 2017/18, we will be focused on campaigning on media freedom via our Mapping Media Freedom project; sharing the findings of our campus censorship report; and developing more work to promote freedom of expression online.

Conclusion

Heated debate about the value of free expression in 2016 allowed Index to reaffirm its status as a world-leading expert on the principles that underpin this right. Our clear-sighted stance, which defends all forms of free expression except those that incite violence, meant we were prominent voices in the media, at events, and in debates worldwide discussing the issue.

In tandem with this increased public profile, we have upped the support we give to those facing censorship through the fellowship, and via a more targeted campaigns strategy that focuses on people and places where we feel that our small team can have a marked impact.

FUNDING

We are grateful to the support of the following in 2016/17:

AirBnB

Arts Council England

Michael Bishop Foundation

The British Council

Clifford Chance

CNN

The John S Cohen Foundation

Doughty Street Chambers

Edwardian Hotels

The Elaine and David Potter Foundation

European Commission

Facebook

Flying Dog Brewery

Fritt Ord

Google

Gorkana

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2017

ACTIVITIES AND OUTCOMES (continued)

FUNDING (continued)

Green Tomato Cars
The Guardian
Heritage Lottery Fund
Hide My Ass!
Liverpool John Moores University
London Evening Standard
David McCune
National Endowment For Democracy
Open Society Foundation
Private Internet Access
Psiphon
Sage Publications
Tequila Patron
Twitter
UNESCO
Unicorn Theatre
VICE News
Vodafone
Wellesley College

and various individuals who have supported the organisation with in-kind support, through our Index Champions or Index Advocates membership scheme, through other donations, or through subscription to the magazine.

Fundraising

The financial year 2016-17 represented a strong fundraising performance in terms of widening our funding base and increasing total income from just under £850,000 in 2015-16, to £898,000. Donations and core grants were up significantly, from £468,000 to £615,000. Of this, donations increased by £50,000 from 2015-16, to a level of £149,000. Event income was down only because 2015-16 contained large donations in kind of free advertising for our fundraising events.

The Fellowship raised £91,000 with regular sponsors including Doughty Street Chambers, Google, Sage Publications and Vodafone.

The David & Elaine Potter Foundation and Fritt Ord renewed their core funding, while we were also successful in securing new grants from the Michael Bishop Foundation and The Open Society Foundations. We received corporate funding from Facebook, Google and Twitter, while the National Endowment for Democracy and European Commission renewed funding. We also received UNESCO funding within the year for the Mapping Media Freedom project.

We have continued our relationship with Liverpool John Moores University, who co-fund an internship at Index. From this year it became a full year's placement and was renamed the Tim Hetherington Prize.

Our individual giving increased on the year and with our website redesign within the year, it should further help by making the process easier and more user-friendly, for supporters to take advantage of being an Index member.

Financial Report

The Trustees report that the group posted a consolidated net income result of £43,766, of which £10,306 represented a surplus of unrestricted funds and £33,460 was restricted funds.

This means that the consolidated unrestricted reserves rose from £27,454 to £37,760, while restricted funds increased from £14,540 to £48,000. Writers and Scholars Educational Trust had a surplus of unrestricted funds of £17,172 on the year, while Writers and Scholars International Limited made a loss of £6,866, bringing its reserves down to £26,289. The current level of consolidated unrestricted reserves at £37,760 is just under one month's worth of the target set by the trustees. The Trustees continue to monitor the situation as regards the level of reserves.

WRITERS & SCHOLARS EDUCATIONAL TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2017

ACTIVITIES AND OUTCOMES (continued)

Financial Report (continued)

Consolidated group income was £898,125, up on 2015/16 by £50,348, in the main due to donations increasing along with core grants for the charity. Writers and Scholars International Ltd had virtually no change in its level of grants, at £248,401.

Consolidated expenditure was £854,359 compared with £829,895 the previous year. This reflects the increased expenditure on project activity, particularly through the Media Mapping Freedom project. Direct costs were up from £469,462 in 2015/16, to £506,466 this year, with project costs up from £143,866 to £233,385. The direct costs of fundraising activities fell from £148,287 to £47,173, due to the large gift in kind of free advertising for events not being a factor this year. Support costs for these activities were down from £360,433 the previous year, to £347,893, due to moving to a new office with lower running costs. Overall support staff costs remained at the same level as last year, at £213,940 while governance costs showed a slight increase in audit costs.

The inter-company position showed a shift from Writers and Scholars Educational Trust owing a balance of £14,112 to Writers and Scholars International Limited in 2015/16, to being owed £6,157.

Reserves policy

The reserves policy was reviewed by the Index board with the desired level of reserves being based on a consideration of at-risk funding. The board feel this represents the most and measurable way of arriving at a reserves target. The target arrived at was £130,000 of unrestricted funds, which equates to three months operating costs at the current level (£43,333 per month). The trustees acknowledge that starting from such a low base of reserves would entail a gradual increase in order to reach this desired level and are pleased to report that though this year saw a modest increase of just £10,306 leaving the organisation still a bit short of one third of the target, it does represent a consolidation of last year's trend of adding to reserves, rather than a reduction as in the two years prior. As part of the reserves strategy, the organisation has an annual budgetary commitment to boost the level of reserves towards its target level and this is built into the annual fundraising target.

The level of unrestricted funds was £37,760.

The level of restricted funds was £48,000.

There are no designated or endowment funds.

The target level of funds for this year of the reserves policy was to equate to one month's operating costs of £43,333 but the current level is below this. The trustees are considering ways in which this can be rectified in the near future.

Public Benefit Statement

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011, to have due regard to the Charity Commission's general guidance on public benefit. The Trustees ensure that this purpose is carried out by the performance of services valued by the public both in the UK and internationally.

Both forms of editorial content (online and print) offer the highest quality of commissioned journalism and analysis, providing viewpoints from all parts of the spectrum of any free expression debate. Our expert editorial filter of censorship issues can be used to help those interested in free expression find contextualised and verified information in support of free speech. We augment the news, picking the most important and most interesting free expression stories and pushing them out to a wider audience. The interest shown by the public in several of the current debates around free expression throughout all media has been particularly well served by the charity. Index has been at the forefront of many of such debates, able to deliver them in accessible form, through editorial content and events showcasing key figures from relevant fields and disciplines. We also have extended geographical access to our debates by conducting several of them online and a preserved record of the conversations is accessible through our website and YouTube channel. These reflect two of our objectives to inform and to encourage debate.

The research and articles published in Index on Censorship magazine are of direct relevance to specialist professionals in law, media and academia, but they also serve to deepen the knowledge and advance learning of the broader public, in the understanding and analysis of human rights. Extracts from the magazine continue to be offered for free on our website. Increasing social media followers and web viewing figures attest to the widening of our audience.

WRITERS & SCHOLARS EDUCATIONAL TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2017

ACTIVITIES AND OUTCOMES (continued)

Public Benefit Statement (continued)

Our archive is available to the public without restriction via the Bishopsgate Institute, and this represents our body of work on free expression over the last 44 years. There is also our own archive of articles, interviews, policy papers, audio-visual content available for free on our website. As part of Index's media strategy, this year we have secured greater media coverage in UK tabloids and middle market newspapers, taking free speech arguments to a wider audience in terms of numbers and demographics.

Index continues to bring material to under-represented communities in the freedom of expression debate, and particularly expanding its reach towards greater numbers of young people and people involved in education this year. As part of this initiative we host a Youth Advisory Board with new members every six months, so that we can consult on and be led by the members as to their requirements in the free expression realm as it affects young people and thus tailor our approach to meet these needs. We have worked directly with a number of youth and educational agencies, and been able to put different groups in contact with one another to share knowledge and we have begun to extend this network globally too. Through our Heritage Lottery funded project "What A Liberty!" we have been able to offer young people access to expert-led workshops in many different aspects of media culminating in them producing their own short film on a contemporary Magna Carta. Index also works closely with several UK and international universities and has been in ongoing consultation with the National Union of Students in relation to some of its free speech policies. We have also been in conversations with students to provide evidence on the state of free expression on campuses up and down the UK and will be publishing a report in 2017.

Index supports key professionals and decision makers in the arts sector through case studies and conferences, helping them to protect and promote freedom of expression to their own audiences. We have produced five law packs to equip such professionals with a guide to help them continue to exhibit and produce controversial art in full knowledge of the law and responsibilities to artists, their employees and the public. With our Arts Council funding, we are developing a training programme for arts' institutions to be able to analyse risk more sympathetically in consideration of controversial art.

GOVERNANCE AND MANAGEMENT

Trustee Board

Trustees serve for a period of three years and may be re-elected for a further two years for a maximum total of five years. Existing Trustees select members of the Trustee Board. Currently recruitment has occurred through personal recommendation and word of mouth. Rules and guidelines published by the Charity Commission on the responsibilities of being a Trustee are provided to all new Trustees. In addition, new Trustees are inducted in the charity by the Chief Executive and Chair of Trustees.

Every effort is made to ensure that all specialist areas of the Charity's operation are represented. Candidates that strengthen the Board are always considered, with no upper limit on the number of Trustees. Trustees meet four times a year to review strategy, risk and performance and to approve the operating plans and budgets. The majority of Trustee meetings take place at Writers and Scholars Trust's offices, enabling the Trustees to meet other members of staff on a regular basis.

Responsibility for strategy, planning and the day-to-day management of operations is delegated to a management team led by the Chief Executive. Formal reporting by the Chief Executive takes place in writing two weeks prior to each Trustee meeting. The key issues arising from this report and any other matters are then discussed in detail at the Trustee meeting. Minutes are then circulated, within seven days, for approval at the subsequent Trustee meeting.

The pay of the senior management team ('key management personnel') and all staff are reviewed annually and where there are increases these are in line with average earnings and any cost of living adjustment. In view of the nature of the charity, the Trustees benchmark against pay levels in other charities. The remuneration benchmark is the mid-point of the range paid for similar roles in equivalent sized charities.

WRITERS & SCHOLARS EDUCATIONAL TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2017

GOVERNANCE AND MANAGEMENT (continued)

Risk Review

With a full risk register in place, throughout the year the Trustees consider the top five or ten risks anticipated or actually faced in the year, in terms of likelihood, impact, mitigations and responsibility. These are then added to the risk register as an update. The Trustees are satisfied that systems have been developed and are in place to mitigate identified risks to a satisfactory level. For the year 2016-17 the following 5 risks were considered.

1. Brexit - Index continues to assess the risk to our funding portfolios given Britain's planned departure from the European Union and will monitor how our status as a UK-based organisation may impact our ability to attract fund from outside the UK.
2. Reserves - Index has a stated target of reserves which equates to 3 months' worth of operational costs at £130,000. We have adapted our budgeting and planning procedures to ensure cash flow is steadier, however our goal remains to achieve a healthy level of reserves.
3. USA visa restrictions -- new visa restrictions and US policies towards foreign travel and data may make it more problematic for travel to the USA, not just for our staff, but also for any speakers we arrange for events in America. Our risk register has a fully developed travel policy and risk assessment form for staff to comply with.
4. Composition of the Board -- We are still without a Treasurer and while there is no legal requirement to have one, we have found it in the past useful to have a Treasurer to liaise more closely with senior management on financial minutiae.
5. Grant Contracts Responsibility for Partners - Currently we are undergoing a retrospective audit on our Tunisia Project funded by the EU, which finished in 2012, as part of the EU's normal review processes. We will implement the auditor's recommendations regarding sub-contracting with other partners.

Management

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- A strategic plan and annual budget overseen by the Trustees
- Regular consideration by the Trustees of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews
- Delegation of authority and segregation of duties
- Identification and management of risk as above

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Charity's Trustees are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Charity law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Charity and its financial activities for the period. In preparing those 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 accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation

WRITERS & SCHOLARS EDUCATIONAL TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2017

STATEMENT OF TRUSTEES' RESPONSIBILITIES (continued)

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ascertain the financial position of the Charity and to ensure that the financial statements comply with the Charities Act 2011. 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 Trustees confirm that so far as they are aware, there is no relevant audit information of which the Charity's auditors are unaware. They have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant information and to establish that the Charity's auditors are aware of that information.

POWERS AND RESTRICTIONS

The Trustees have absolute discretion to decide which of the Trust's purposes to forward, and no limitations on the means they adopt to do so. In particular they have complete discretion to invest money as they wish and are therefore not bound by the provisions of the Trustee Investment Act.

Approved by the Board on 21 September 2017 and signed on its behalf by:



David Aaronovitch
Chair

WRITERS & SCHOLARS EDUCATIONAL TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2017

Status

The Writers and Scholars Educational Trust is a registered charity, number 325003, constituted by the Trust Deed dated 25 March 1971. In June 2016 the charity's trustees resigned and were replaced by a corporate trustee, WSET Trustee Ltd, company registered number 10188386. The former trustees were immediately appointed as Directors of the corporate trustee WSET Trustee Ltd.

Trustees

WSET Trustee Limited (appointed 23 June 2016)

The following directors all resigned on 23 June 2016:

David Aaronovitch (Chair)

Elaine Potter

David McCune

David Schlesinger

Turi Munthe

Kate Maltby

Peta Buscombe

The directors of WSET Trustee Ltd are:

David Aaronovitch (Chair)

Elaine Potter

David McCune

David Schlesinger

Turi Munthe

Kate Maltby

Sanjay Nazerali (appointed 16/03/2017)

Jason DaPonte (appointed 14/06/2017)

Kiri Kankhwende (appointed 14/06/2017)

Peta Buscombe (resigned 17/12/2016)

Management

Jodie Ginsberg – Chief Executive

David Sewell – Finance Director

Rachael Jolley – Editor, *Index on Censorship magazine*

Sean Gallagher – Editor, *Online and News*

Melody Patry – Head of Advocacy

Principal address and contact details

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Telephone: 020 7963 7262

E-Mail: jodie@indexoncensorship.org

Auditors:

haysmacintyre, 26 Red Lion Square, London WC1R 4AG

Bankers:

Triodos Bank NV, Brunel House, Deanery Road, Bristol BS1 5AS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WRITERS & SCHOLARS EDUCATIONAL TRUST

We have audited the financial statements of Writers and Scholars Educational Trust for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Group and Charity Balance Sheets, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Section 144 of the Charities Act 2011 and 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 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

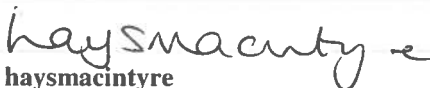
In our opinion the financial statements:

- give a true and fair view of the state of the charity's (and group's) affairs as at 31 March 2017, and of its incoming resources and application of resources, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements 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.



haysmacintyre
Statutory Auditor

26 Red Lion Square
London
WC1R 4AG

21 September 2017

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

WRITERS & SCHOLARS EDUCATIONAL TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
INCOME FROM:					
Donations & legacies	2	548,339	66,565	614,904	468,771
Charitable activities					
Publishing fees & royalties	3	98,819	-	98,819	96,248
Other income from charitable activities	3	12,502	80,218	92,720	103,229
Other trading activities					
Events income	3	91,661	-	91,661	21,692
Rental income		-	-	-	16,217
Investments		21	-	21	20
TOTAL INCOME		<u>751,342</u>	<u>146,783</u>	<u>898,125</u>	<u>706,177</u>
EXPENDITURE ON:					
Raising funds					
Donations and legacies	4	241,901		241,901	221,973
Fundraising activities	4	47,173	-	47,173	6,687
Charitable activities	4	<u>451,962</u>	<u>113,323</u>	<u>565,285</u>	<u>459,635</u>
TOTAL EXPENDITURE		<u>741,036</u>	<u>113,323</u>	<u>854,359</u>	<u>688,295</u>
NET INCOME/(EXPENDITURE) NET MOVEMENT IN FUNDS		10,306	33,460	43,766	17,882
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>27,454</u>	<u>14,540</u>	<u>41,994</u>	<u>24,112</u>
TOTAL FUNDS CARRIED FORWARD		<u>£37,760</u>	<u>£48,000</u>	<u>£85,760</u>	<u>£41,994</u>

None of the charity's activities were acquired or discontinued in the year.

There were no recognised gains or losses other than those included in the Statement of Financial Activities.

WRITERS & SCHOLARS EDUCATIONAL TRUST

GROUP AND CHARITY BALANCE SHEETS

AS AT 31 MARCH 2017

	Notes	Group		Charity	
		2017 £	2016 £	2017 £	2016 £
FIXED ASSETS					
Tangible assets	7	14,776	13,516	123	136
CURRENT ASSETS					
Debtors	8	177,850	121,610	140,807	72,940
Cash at bank and in hand		142,760	43,452	50,242	26,030
		<u>320,610</u>	<u>165,062</u>	<u>191,048</u>	<u>98,970</u>
CREDITORS: Amounts falling due within one year	9	(249,626)	(136,584)	(131,701)	(90,266)
Net current assets		70,984	28,478	59,347	8,704
NET ASSETS		<u>£85,760</u>	<u>£41,994</u>	<u>£59,470</u>	<u>£8,840</u>
FUNDS					
Unrestricted income funds	10	37,760	27,454	11,470	1,544
Restricted income funds	11	48,000	14,540	48,000	7,296
TOTAL FUNDS		<u>£85,760</u>	<u>£41,994</u>	<u>£59,470</u>	<u>£8,840</u>

The accounts were approved by the Trustees and authorised for issue on 21 September 2017 and signed on their behalf by:

David Aaronovitch
Chair

Turi Munthe
Trustee

WRITERS & SCHOLARS EDUCATIONAL TRUST**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2017**

	2017	2016
	£	£
Cash flows from operating activities:		
Net cash provided by/(used in) operating activities (see below)	104,208	6,319
Cash flows from investing activities:		
Purchase of fixed assets	(4,900)	(6,121)
Net cash (used in) investing activities	(4,900)	(6,121)
Net cash provided by financing activities		-
Change in cash and cash equivalents in the year	99,308	198
Cash and cash equivalents at the beginning of the year	43,452	43,254
Cash and cash equivalents at the end of the year	<u>£142,760</u>	<u>£43,452</u>

RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017	2016
	£	£
Net income/(expenditure) for the reporting year (as per the statement of financial activities)	43,766	17,882
Adjustments for:		
Loss on disposal of fixed assets	929	-
Depreciation	2,711	4,338
(Increase)/decrease in debtors	(56,240)	(21,407)
Increase/(decrease) in creditors	113,042	5,506
Net cash provided by/(used in) operating activities	<u>£104,208</u>	<u>£6,319</u>

WRITERS & SCHOLARS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of financial statements is as follows:

Basis of accounting

The financial statements 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 to the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

Preparation of the accounts on a going concern basis

The accounts have been prepared on a going concern basis which the trustees consider to be appropriate. Forecast budgets have been prepared and considered by the trustees for the year to 31 March 2018, which currently show a deficit. However the trustees are confident that the shortfall will be covered by additional funding. On the basis of these forecasts, the trustees consider that the group will be able to meet its liabilities as they fall due and are hopeful that unrestricted funds will increase.

Basis of consolidation

The group financial statements consolidate those of the charity and its subsidiary drawn up to 31 March 2017. Surpluses or deficits on intra-group transactions are eliminated in full.

Results of subsidiary undertakings engaged in activities similar to those of the charity are consolidated on a line-by-line basis in the SOFA and balance sheet.

Fixed assets

Fixed assets are recorded at cost. Assets acquired with a value of less than £100 are not capitalised but are written off as revenue expenditure.

Depreciation has been provided at the following rates in order to write down the cost or valuation, less estimated residual value, of all tangible fixed assets over their expected useful lives as follows:

Computers	25% straight line
Fixtures & Fittings	10% straight line

Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income can be measured reliably.

Income from grants and fees is recognised when the charity has entitlement to the funds, any performance conditions attached to the grant have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until those conditions are fully met, or the fulfilment of those

WRITERS & SCHOLARS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Where income is received in advance of its recognition it is deferred and included in creditors. Where entitlement occurs before income being received the income is accrued.

Expenditure

Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of obligation can be measured reliably.

Expenditure is recognised on an accruals basis as a liability is incurred, inclusive of VAT, which cannot be recovered.

All expenditure has been classified under headings that aggregate all costs relating to the following categories:

Charitable Activities – Costs of charitable activities comprise all costs identified as wholly or mainly attributable to achieving the charitable objectives of the charity, including the costs of disseminating information in support of charitable activities. These costs include staff costs, wholly or mainly attributable support costs and an apportionment of general overheads.

Governance costs – These comprise all costs identified as wholly or mainly attributable to ensuring the public accountability of the charity and its compliance with regulations.

Staff costs are allocated by the trustees between direct charitable expenditure and support expenditure on the basis of time spent on these activities. Other costs are ascribed directly to the relevant heading.

Pension costs

Writers & Scholars Educational Trust operates a defined contributions scheme for the benefit of the employees. The assets of the Scheme are held independently from those of Writers & Scholars Educational Trust in an independently administered fund. The pension costs charged in the financial statements represents the contributions payable during the year.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Restricted funds

Where grants are to be spent in accordance with terms agreed with the funders, the income and related expenditure are shown as 'Restricted'. Any unspent restricted income at the year-end is deferred for spending to future years.

Unrestricted funds

Core income and such other income for which there are no restrictions on the way it can be spent are termed 'Unrestricted'. Such unspent income at the year-end is termed 'Unrestricted funds'.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

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

WRITERS & SCHOLARS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

Creditors and provisions

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

Estimation uncertainty

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. DONATIONS & LEGACIES

	2017	2016
	£	£
Donations	149,323	98,281
Grants:		
David & Elaine Potter Foundation	40,000	4,000
Fritt Ord	42,673	39,350
Michael Bishop Foundation		60,000
Heritage Lottery Fund	16,565	18,100
British Council	-	1,200
Arts Council England	50,000	
Other grants	67,942	2,200
Grants received by Writers & Scholars International Limited	248,401	245,640
	<u>£614,904</u>	<u>£468,771</u>

Restricted income of £16,565 was received from the Heritage Lottery Fund in 2017 to fund the "What a Liberty" project. £50,000 of restricted income was received in 2017 from the Arts Council England towards the cost of combatting censorship.

All other donations & legacies received in 2017 were unrestricted.

WRITERS & SCHOLARS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2017

3. CHARITABLE ACTIVITIES	Unrestricted Funds £	Restricted Funds £	2017 £	2016 £
Liverpool John Moores University	9,832	-	9,832	9,878
Project grants	-	-	-	300
National Endowment for Democracy	-	80,218	80,218	20,457
Publishing fees and royalties	98,819	-	98,819	96,248
Event income	91,661	-	91,662	68,000
Other direct income	2,670	-	2,670	4,594
	<u>£202,982</u>	<u>£80,218</u>	<u>£282,300</u>	<u>£199,477</u>
	<u><u>£202,982</u></u>	<u><u>£80,218</u></u>	<u><u>£282,300</u></u>	<u><u>£199,477</u></u>
4. ANALYSIS OF EXPENDITURE	Direct Costs £	Support Costs £	Total 2017 £	Total 2016 £
Charitable activities:				
Publications	129,336	88,621	217,957	198,594
Projects	233,385	113,943	347,328	261,041
	<u>362,721</u>	<u>202,564</u>	<u>565,285</u>	<u>459,635</u>
Raising funds – donations and legacies	96,572	145,329	241,901	221,973
- fundraising activities	47,173	-	47,173	6,687
TOTAL	<u>£506,466</u>	<u>£347,893</u>	<u>£854,359</u>	<u>£688,295</u>
	<u><u>£506,466</u></u>	<u><u>£347,893</u></u>	<u><u>£854,359</u></u>	<u><u>£688,295</u></u>

SUPPORT COSTS CONSIST OF:

	2017 £	2016 £
Staff costs	213,940	216,699
Premises	49,929	58,820
Office and administration	42,738	32,839
Professional and consultancy	18,087	29,654
Currency exchange differences	1,015	2,606
Irrecoverable VAT	6,369	4,757
Depreciation	2,710	4,338
Governance (see note 5)	13,105	10,720
	<u>£347,893</u>	<u>£360,433</u>
	<u><u>£347,893</u></u>	<u><u>£360,433</u></u>

WRITERS & SCHOLARS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2017

5. GOVERNANCE COSTS	2017 £	2016 £
Auditor's remuneration	12,195	10,713
Other fees	768	-
Meeting expenses	142	7
	<u>£13,105</u>	<u>£10,720</u>

Other fees payable to the auditors amounted to £900 (2016: £900)

No trustees received any remuneration (2016: £nil) and no trustees were reimbursed for travel costs (2016: £nil).

6. EMPLOYEES	2017 £	2016 £
Group staff costs were as follows:		
Wages and salaries	380,299	352,948
National insurance contributions	38,874	31,988
Pension contributions	3,809	2,150
Contract staff	6,955	9,120
	<u>£429,937</u>	<u>£396,206</u>

The average weekly number of employees during the year were as follows:

	No.	No.
Charitable activities	9	8
Management and support	3	3
	<u>12</u>	<u>11</u>
Number of employees earning between £60,000 - £69,999	<u>1</u>	<u>1</u>

Staff benefits paid to key management personnel amounted to £253,473 (2016 - £202,489)

7. FIXED ASSETS	Fixtures and Fittings £	Computers £	Total £
Group			
Cost			
At 1 April 2016	11,280	22,671	33,951
Additions	2,581	2,319	4,900
Disposals	(3,493)	(1,835)	(5,328)
At 31 March 2017	<u>10,368</u>	<u>23,155</u>	<u>33,523</u>
Depreciation			
At 1 April 2016	4,071	16,364	20,435
Charge for the year	691	2,020	2,711
Disposals	(2,564)	(1,835)	(4,399)
At 31 March 2017	<u>2,198</u>	<u>16,549</u>	<u>18,747</u>
Net Book Value			
At 31 March 2017	<u>£8,170</u>	<u>£6,606</u>	<u>£14,776</u>
At 31 March 2016	<u>£7,209</u>	<u>£6,307</u>	<u>£13,516</u>

WRITERS & SCHOLARS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2017

7. FIXED ASSETS (continued)			Fixtures and Fittings £	Total £
Charity				
Cost				
At 1 April 2016			192	192
Additions			-	-
			<u>192</u>	<u>192</u>
At 31 March 2017			192	192
Depreciation				
At 1 April 2016			56	56
Charge for the year			14	14
			<u>70</u>	<u>70</u>
At 31 March 2017			70	70
Net Book Value				
At 31 March 2017			<u>£122</u>	<u>£122</u>
At 31 March 2016			<u>£136</u>	<u>£136</u>
8. DEBTORS				
	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	55,749	31,579	48,961	2,200
Prepayments	12,217	4,363	10,342	3,377
Accrued income	104,884	73,593	70,696	56,160
Other debtors	5,000	12,075	4,651	11,203
Due from Writers and Scholars International Ltd	-	-	6,157	-
	<u>£177,850</u>	<u>£121,610</u>	<u>140,807</u>	<u>£72,940</u>
9. CREDITORS: amounts falling due within one year				
	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	1,136	2,276	422	1,569
Taxation and social security	10,804	9,892	10,804	9,892
Accruals	66,350	23,331	40,603	8,385
Deferred income	171,336	101,085	79,872	56,308
Due to Writers and Scholars International Ltd	-	-	-	14,112
	<u>£249,626</u>	<u>£136,584</u>	<u>£131,701</u>	<u>£90,266</u>

WRITERS & SCHOLARS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2017

10. UNRESTRICTED INCOME FUNDS – GROUP	WSET	WSIL	TOTAL
	£	£	£
Balance brought forward	£(5,700)	£33,155	£27,455
Net incoming/(outgoing) resources	£17,171	£(6,866)	£10,305
	<u>£11,471</u>	<u>£26,289</u>	<u>£37,760</u>
	<u><u>£11,471</u></u>	<u><u>£26,289</u></u>	<u><u>£37,760</u></u>
11. RESTRICTED FUNDS	Balance at		Balance at
	1 April	Income	31 March
	2016	£	2017
	£	£	£
Heritage Lottery Fund	6,096	16,565	(22,661)
British Council	1,200		(1,200)
National Endowment for Democracy	7,244	80,218	(87,462)
Arts Council England		50,000	(2,000)
	<u>£14,540</u>	<u>£146,783</u>	<u>£(113,323)</u>
Total	<u><u>£14,540</u></u>	<u><u>£146,783</u></u>	<u><u>£(113,323)</u></u>
	<u><u>£14,540</u></u>	<u><u>£146,783</u></u>	<u><u>£(113,323)</u></u>

Nature and purpose of each fund:

HLF - 'What A Liberty' project for providing young people training and workshopping skills for them to produce a video on the Magna Carta in the 21st century on the occasion of its 800th anniversary.

British Council - fund for bringing overseas speakers to an event at Hay Literary Festival discussing Shakespeare.

National Endowment for Democracy - Media monitoring project in Russia, Ukraine, Azerbaijan and Belarus.

Arts Council England – fund for combating censorship through providing training in legal issues and controversial artworks

12. WRITERS AND SCHOLARS INTERNATIONAL LTD

This is a company limited by guarantee, incorporated in England and Wales, in which the majority of directors and members are Trustees of the Trust. It outsources the publication of the magazine Index on Censorship, which is the main outlet through which the Trust fulfils its charitable objectives. All activities of the subsidiary have been consolidated on a line by line basis in the SOFA.

	2017	2016
	£	£
PROFIT AND LOSS ACCOUNT		
Turnover	354,432	347,770
Cost of sales	(318,962)	(229,875)
	<u>35,470</u>	<u>117,895</u>
Gross profit	35,470	117,895
Overhead expenditure	(42,336)	(52,829)
	<u>(6,866)</u>	<u>65,066</u>
Operating profit	(6,866)	65,066
Interest receivable	-	-
	<u>£(6,866)</u>	<u>£65,066</u>
Profit/(Loss) for the financial year	<u><u>£(6,866)</u></u>	<u><u>£65,066</u></u>

WRITERS & SCHOLARS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2017

12. WRITERS AND SCHOLARS INTERNATIONAL LTD (continued)	2017	2016
	£	£
BALANCE SHEET		
Fixed assets	14,653	13,380
Current assets	135,718	80,205
Creditors falling due within one year	(124,082)	(60,430)
Net current assets/(liabilities)	11,636	19,775
Capital and reserves	£26,289	£33,155

Transactions

During the year expenditure of £3,683 (2016: £6,078) was recharged to Writers & Scholars International Limited by Writers & Scholars Educational Trust. At the balance sheet date the amount from Writers & Scholars International Limited was £6,157 (2016: due to Writers & Scholars International Limited £14,112).

13. RELATED PARTY TRANSACTIONS

David McCune who is the co-owner of Sage Publishing, the existing publisher of *Index on Censorship*, is a trustee of the charity. He also donated a sum of £50,910 (2016 - £56,100) to the charity in the year.

The David and Elaine Potter Foundation made a grant of £40,000 (2016: £40,000) in the year, with £4,000 (2016: £4,000) due to be received at the year end. Elaine Potter is a trustee of the charity.

David Schlesinger, a trustee of the charity, pledged £2,466 in the year which was received post year end.

Kate Maltby, a trustee of the charity, pledged £5,000, in the year which was received post year end.

David Aaronovitch, a trustee of the charity, donated £3,000 in the year.

14. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES - 2016

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £
INCOME FROM:			
Donations and legacies	449,471	19,300	468,771
Charitable activities	179,020	20,457	199,477
Rental income	16,217	-	16,217
Events	163,292	-	163,292
Investments	20	-	20
TOTAL INCOME	808,020	39,757	847,777
EXPENDITURE			
Raising funds			
Donations and legacies	221,973	-	221,973
Fundraising activities	148,287	-	148,287
Charitable activities	434,418	25,217	459,635
TOTAL EXPENDITURE	804,678	25,217	829,895
NET INCOME	3,342	14,540	17,882
RECONCILIATION OF FUNDS			
Total funds brought forward	24,112	-	24,112
TOTAL FUNDS CARRIED FORWARD	£27,454	£14,540	£41,994

WRITERS & SCHOLARS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2017

15. FINANCIAL INSTRUMENTS

	2017	2016
	£	£
Financial assets measured at amortised cost	<u>60,749</u>	<u>43,654</u>
Financial liabilities measured at amortised cost	<u>1,136</u>	<u>422</u>

Financial assets measured at amortised cost consist of trade debtors and other debtors.

Financial liabilities measured at amortised cost include trade and other creditors.

16. CONTINGENT LIABILITY

As a result of a recent funder audit, it was found that due to lack of information available from partner organisations involved in the project, a sum may be repayable to the funder. At present this sum is unknown but could range between nil and at worst, full repayment of the element of the grant relating to partners, at approximately £42k. As the amount is so uncertain, no accrual has been made for any potential sum repayable.

