
Esperanza Trust
for Anthropological Research

Financial Statements

For the year ended 31 December 2020

CONTENTS

Trustees' Report	1
Statement of Trustees' Responsibilities	2
Independent Auditor's Report	3, 4 & 5
Statement of Financial Activities	6
Statement of Financial Position	7
Notes to the Financial Statements	8 & 9

50 Fitzroy Street
London W1T 5BT

Charity Registration No: 1063939

Esperanza Trust for Anthropological Research

(also known as Esperanza Trust) TRUSTEES' REPORT

The trustees present their report and financial statements for the year ended 31 December 2020. The Trust Fund is governed by a Trust Deed dated 11 November 1963. It was founded by Professor Sir Edmund Leach, who died in 1989, and is endowed with donations and bequests from him. The Royal Anthropological Institute is Custodian Trustee and three Managing Trustees are nominated by the Institute's Council.

Trustees	Prof. Hastings Donnan (Chair)	appointed	01-Nov-00
	Prof. Jonathan Spencer	appointed	06-Nov-15
	Prof. Sarah Green	appointed	26-Sep-07
Principal Address	50 Fitzroy Street	London W1T 5BT	
Auditors	Friend-James Limited		
	161-163 Preston Road	Brighton BN1 6AF	
Bankers	National Westminster Bank PLC		
	45 Tottenham Court Road	London W1T 2EA	
Solicitors	Jansons Solicitors		
	40 Crawford Street	London W1H 1JL	
Stockbrokers	Smith & Williamson Investment Management		
	25 Moorgate	London EC2R 6AY	
	CCLA Investment Management		
	85, Queen Victoria Street	London EC4V 4ET	

Specific restrictions imposed by the governing document:

The income of the Fund is to be applied to promoting the study and teaching of anthropology. Clause 3 (e) of the Trust Deed allows the Managing Trustees to apply part of the income towards the discharge of any exceptional expenditure incurred by the Institute, even if this is not related to the trusts or powers of the Deed, provided that a request is made to the Managing Trustees by the Institute's Council.

Investment powers and policy:

The Managing Trustees are entitled under Clause 7 of the Trust Deed to purchase any types of investment or property wheresoever situate. Responsibility for investment decisions lies with the Managing Trustees.

The Trustees' current investment policy is to invest a minimum of 30% of the Fund in property or fixed interest securities of at least an Aa2 rating, the remainder in equities. Investments should be made only in Sterling, US Dollars or Euros, and the majority should be in Sterling. The equity proportion should be invested at least 67% in UK equities, and no more than 5% of the portfolio should be invested in any one single equity. A maximum of approximately 10% of equities are to be invested in slightly more adventurous stocks.

ANNUAL REPORT

The policy of the Trustees is to devote about half its net income after expenses to subsidising exceptional expenditure of the Royal Anthropological Institute as they are empowered under Clause 3(e). The other half is devoted to an annual research fellowship scheme sponsored by the Trustees in association with United Kingdom university departments of anthropology, known as the 'Leach/RAI Fellowships'. In some years they refrain from sponsoring the Fellowship scheme in order to conserve their financial resources. Since all grants made by the Trustees are either in response to requests from the Institute's Council, or a result of the Trustees' own initiative, the Trust Fund is not open to applications from other parties. The present report is published to comply with the Trustees' legal obligations. Further information about the activities of the Royal Anthropological Institute is published in the Annual Report and financial statements of the Institute, and from time to time in the RAI News' columns of the Institute's bimonthly journal 'Anthropology Today'.

Esperanza Trust for Anthropological Research

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

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

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 ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Friend-James Limited were appointed as auditors to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

Approved by the Trustees on

16th July 2021


H Donnan Trustee

Esperanza Trust for Anthropological Research

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE ESPERANZA TRUST FOR ANTHROPOLOGICAL RESEARCH

Opinion

We have audited the financial statements of the Esperanza Trust for Anthropological Research (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Esperanza Trust for Anthropological Research

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report;
- sufficient accounting records have not been kept;
- 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.

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Charities Act 2011, s. 145 and report in accordance with regulations made under the Act and relevant regulations made or having effect thereunder.

We have been appointed as auditor under the Charities Act 2011, s. 145 and report in accordance with regulations made under the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit, in relation fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with the trustees.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that most significant are those that relate to the financial reporting framework ("Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019), the Charities Act 2011, and relevant UK tax legislation.

Esperanza Trust for Anthropological Research

We designed our audit procedures to identify non-compliance with those frameworks and assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur, by making enquiries of the trustees and senior management team; assessing the internal control environment, including the level of oversight of those charges with governance; and testing of material journal entries.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Roger Clow FCA (Senior Statutory Auditor)
for and on behalf of Friend-James Limited

21 Sept 2024

Chartered Accountants
Statutory Auditor

4th Floor, Park Gate
161-163 Preston Road, Brighton,
East Sussex, BN1 6AF

Esperanza Trust for Anthropological Research

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

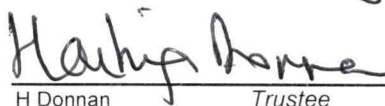
	Capital Endowment Fund £	Restricted Research Grant Fund £	Total 2020 £	Total 2019 £
Income and endowments from:				
Investment income	21,900	34,150	56,050	60,580
Expenditure on Charitable Activities				
<i>Grants</i>				
Leach RAI Public Anthropology Fellowship	-	20,800	20,800	-
To the Royal Anthropological Institute	-	16,000	16,000	20,000
Administration services	-	2,242	2,242	2,423
Accountancy and audit fee	-	1,050	1,050	1,050
Sundries	750	8,176	8,926	10,307
Total Expenditure	750	48,268	49,018	33,780
Net Income	21,150	(14,118)	7,032	26,800
Revaluation of investment property	80,000	-	80,000	-
Realised Gains / (Losses) on Investment Assets	-	(66,218)	(66,218)	18,596
Unrealised Gains on Investment Assets	186,979	-	186,979	200,144
Net Movement in Funds	288,129	(80,336)	207,793	245,540
Reconciliation of Funds				
Fund Balances at 1 January 2020	1,802,929	283,320	2,086,249	1,840,709
Fund Balances at 31 December 2020	2,091,058	202,984	2,294,042	2,086,249

ESPERANZA TRUST FOR ANTHROPOLOGICAL RESEARCH

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

		2020		2019	
		£	£	£	£
Fixed Assets					
Freehold investment property	2	625,000		545,000	
Investments	3	<u>1,608,797</u>	<u>2,233,797</u>	<u>1,332,162</u>	<u>1,877,162</u>
Current Assets					
Amount due from related charity	4	67,209		195,739	
Amount due from investment company		<u>856</u>		<u>16,924</u>	
		<u>68,065</u>		<u>212,663</u>	
Creditors-amounts falling due within one year					
Sundry creditors		<u>6,595</u>		<u>3,576</u>	
		<u>6,595</u>		<u>3,576</u>	
Net current assets			61,470		209,087
Total net assets	5		<u><u>2,295,267</u></u>		<u><u>2,086,249</u></u>
Funds of the Trust					
Capital endowment fund - unrestricted	6	2,095,610		1,802,929	
Restricted research grant fund	7	199,657		283,320	
Total charity funds		<u><u>2,295,267</u></u>		<u><u>2,086,249</u></u>	

Approved by the Trustees on 16th July 2021



H Donnan

Trustee

Esperanza Trust for Anthropological Research
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom, the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities (effective 1st Jan 2019)' and Financial Reporting Standard (FRS) 102.

Preparation of the financial statements on a going concern basis

The financial statements have been prepared on a going concern basis. The charity has sufficient resources and net assets to continue and the trustees believe there to be no material uncertainties about the charity's ability to continue as a going concern.

Income

All incoming resources are included in the statement of financial activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Investment income is included when receivable.

Expenditure

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs relating to that category.

Freehold investment property

Freehold investment property is stated at fair value reviewed by the trustees periodically and a formal valuation is obtained at least every 5 years.

Investments

These are stated at fair value. The net gain on revaluation has been credited to the respective funds in which the underlying assets are held.

Accumulated Funds

Restricted funds are subject to specific conditions by donors as to how they may be used. The purpose and uses of the restricted funds are set out in note 7.

Amount due from related charity

This represents funds held by an associated charity.

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.

Esperanza Trust for Anthropological Research
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2020

	2020	2019
	£	£
2 Freehold Investment Property		
Fair Value as at 1 January 2020	545,000	545,000
Change in the Value in the Year	80,000	-
Fair Value as at 31 December 2020	<u>625,000</u>	<u>545,000</u>

	2020	2019
	£	£
3 Investments		
Fair Value as at 1 January 2020	1,332,162	1,135,862
Disposals at Opening Book Value	(143,425)	(125,177)
Additions at Cost	306,742	102,737
Change in the Value in the Year	112,093	218,740
Fair Value as at 31 December 2020	<u>1,607,572</u>	<u>1,332,162</u>

4 Amount due from related charity

Royal Anthropological Institute of Great Britain and Ireland (the Institute) acts as custodian Trustee in accordance with the Trust Deed. The Institute nominates managing Trustees on a three year rotation however they are automatically re-appointed unless they choose to retire or resign. At the year end, the Institute owed the Esperanza Trust for Anthropological Research £67,209 (2019: £195,739) in respect of funds pooled within the Institute to maximise the investment return. The Esperanza Trust devotes about half its income to the Leach/RAI Fellowships and half to meeting special requests from the Council of the Institute, under a clause in its Trust Deed which provides for this procedure. The bank financial statements of the Trust have been merged with the Royal Anthropological Institute's bank financial statements in order to avoid bank charges and to maximise bank interest earned. Bank interest is apportioned to the trust on the basis of the balance held by the Royal Anthropological Institute.

5 Analysis of net assets between funds

	Capital Endowment Fund £	Restricted Research Grant Fund £	Total £
<i>Fund balances at 31 December 2020 are represented by:</i>			
Fixed Assets	2,091,058	141,514	2,232,572
Current Assets	-	68,065	68,065
Creditors-amounts falling due within one year	-	(6,595)	(6,595)
	<u>2,091,058</u>	<u>202,984</u>	<u>2,294,042</u>

6 Capital endowment fund - unrestricted

The Capital Endowment Fund was established in 1963 to promote research in anthropology, and also, under a clause in its Trust deed, to assist the Royal Anthropological Institute with expenses additional to its normal outgoings. The fund is represented by fixed asset investments and current assets.

7 Restricted research grant fund

The Research Grant Fund represents an accumulation of unexpended income retained by the Trustees in order to maintain the resources of the fund against erosion by inflation. As well as income from investments, the fund receives royalties arising from certain publications of its founder, the late Sir Edmund Leach.