

JOHN MARTIN'S CHARITY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

Registered Charity Number 527473

**JOHN MARTIN'S CHARITY
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**JOHN MARTIN'S CHARITY
ADMINISTRATIVE DETAILS**

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Charity Number: 527473

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Trustees: Mr Nigel Lamb Chairman
Mrs Julie Westlake Vice Chair
The Reverend Mark Binney
Mr Richard Emson
Mrs Catherine Evans
Mrs Gabrielle Falkiner
Mrs Diana Raphael
Mrs Jo Sandalls
Mr Cyril Scorse
Mr John Smith, OBE
The Reverend Andrew Spurr
Mrs Joyce Turner
Mr John Wilson

Correspondents: Mr John Daniels Clerk to the Trustees
Mrs Elizabeth Corbett Senior Administrator
Mrs Jan Dodwell Accounts Administrator

Auditors: Allchurch Bailey Limited
Almswood House
93 High Street
Evesham
Worcestershire
WR11 4DU

Bankers: CAF Bank Ltd Lloyds TSB Bank Plc
25 Kings Hill Avenue 19 High Street
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Property Consultants: Bruton Knowles
42 Bull Street
Birmingham
B4 6AF

**JOHN MARTIN'S CHARITY
ADMINISTRATIVE DETAILS**

Investment Managers:	CCLA Investment Management Ltd COIF Charities Investment Fund 85 Queen Victoria Street London EC4V 4ET	Cazenove Capital Fund Management Ltd 12 Moorgate London EC2R 6DA
Solicitors:	Anthony Collins LLP 134 Edmund Street Birmingham B3 2ES	Saunders Roberts 58 Bridge Street Evesham Worcestershire WR11 4SG

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2013

The Trustees present their annual report and financial statements of the Charity for the year ended 31st March 2013. The report and financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Scheme, applicable law including the Charities Act 2011, The Charities (Accounts and Reports) Regulations 2008 and the Statement of Recommended Practice: Accounting and Reporting by Charities 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity was created by the Will of John Martin of Hampton, Evesham, who died in 1714 and left his property in perpetuity for the benefit of local residents. Over the intervening years some of the property has been sold and the capital is now invested in order to generate an income which furthers John Martin's original aims.

The Charity Commission approved a new Scheme on 17th March 1981 and this, together with amendments made on 28 February 1989, 17 July 1998, 19 November 1998, 8 July 1999, 13 December 2001 and 13 February 2008, sets out how the Charity is regulated.

The Scheme allows for up to fourteen Trustees and they are all drawn from the local community. The Vicars of Hampton and Bengeworth are appointed Ex-Officio and serve whilst they hold those positions. Three Trustees are nominated, one by the Vicar of Hampton and two by Evesham Town Council and they are appointed for three and four years respectively. The remaining Trustees are co-opted and their term of office is five years. All Trustees are eligible for re-appointment.

In accordance with the Scheme, Co-opted Trustees must have "special knowledge of the Parish of Evesham" and the Board normally appoints people to these positions following general advertisements and interviews. The Board also retains its ability to invite an individual to become a Trustee if it is felt that they possess a specific skill or knowledge that would benefit the Charity.

On appointment, a Trustee signs a declaration of acceptance and completes an induction process which, in addition to meeting the other Trustees, consists of meetings with the Clerk and Office staff to discuss the grant process, the various policies and the Charity's operating procedures.

A Trustees Manual is issued which includes a copy of the Charity Commission Scheme, Trustees Code of Conduct, Declaration of Interests Return, previous Annual Reports and Accounts, current policies and guidance notes from the Charity Commission. In accordance with that guidance, the Charity undertakes Criminal Record Bureau checks on all Trustees and Staff. Trustees are not remunerated and give their time without cost to the Charity.

The Board of Trustees normally meet twice a month to consider general business such as grant making, finance and policy matters. In addition to the Annual General Meeting, the Trustees also hold annual meetings to review the investments of the Charity and agree future strategy.

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Sub-Committees, usually comprising of the Chairman, Vice-Chairman and one to three other Trustees meet at various times in the year to discuss items that the Board see fit to specify. Recommendations are then made to the full Board.

The day to day administration of the Charity is conducted by the Clerk to the Trustees, together with two staff. They undertake the initial discussions with applicants and then present appropriate papers to the Board for their consideration. In certain instances, such as when an application meets all pre-requisite guidelines, the Office has authorisation to release grant payments and these grants are reported to the Board at a subsequent meeting.

The Office keeps Trustees informed about relevant issues including those relating to the compliance of Charity Commission guidance, governance, employment law, insurance, investments and benefit changes. Trustees and Staff are also able to attend more formal training sessions provided by our advisors and other bodies.

The Charity's offices have been subject to a full structural survey in the past and the recommended work was completed in 2011. The cost of this work is being depreciated over a term of five years in order to reduce its impact on funding available for general grants and this should be completed by 2015.

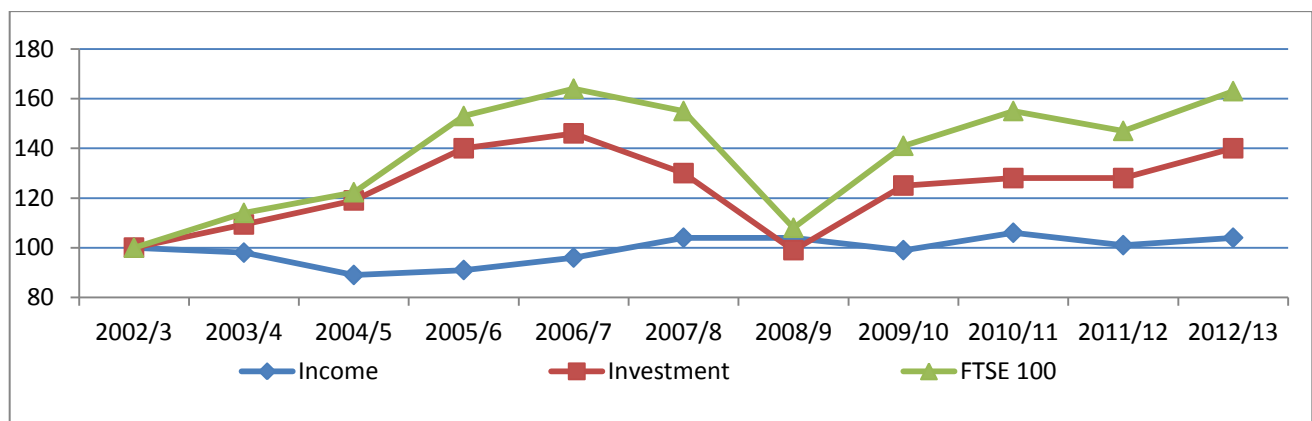
Risk Management

The Trustees have considered the major strategic, business and operational risks relevant to the Charity and have set out a Policy to manage those risks.

As virtually all of the Charity's income is generated from investments, the Trustees consider that the risks to both the capital and income can be managed through the diversification of these investments. The funds are therefore divided between separate Fund Managers and this method of managing the risk was upheld during a comprehensive review of the investments in both 2007 and 2010. The portfolio is also viewed in its entirety to ensure that the split between the various asset classes remains consistent with the Charity's investment objective. This also ensures that the Charity is not overly exposed to any one particular area of the investment market.

The Trustees consider that the maintenance of a steady level of income is a main priority in order to ensure that grant programmes can be maintained. At the same time, a balance is also struck in order to maintain the value of the investments for future generations. As such, the Trustees are able to take a long term view regarding the endowment funds and accept that investment values will rise and fall over short time periods.

The effectiveness of this Policy is detailed in the chart below which, using a base line of 100, shows how the income stream has been steadily maintained despite the wide fluctuations in the Charity's investment portfolio. The FTSE 100 index is shown for comparison purposes.



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In order to maintain and improve on the above strategy, following the review in 2010, one third of the investment portfolio was transferred into new investments. This had the benefit of increasing the income during that year.

Operational risk procedures and grant policies are also reconsidered on a regular basis and following a review in early 2011, amended grant assessment procedures were trialled for a six month period. The aim was to ensure that the combined needs of both the applicants and the Charity could continue to be met in light of the current economic situation. The trial was successful and the new assessments and policies were adopted. This has enabled a wider range of applicants to be considered for grant assistance.

The Trustees are satisfied that the required systems and procedures are in place and are being adhered to.

AIMS, OBJECTIVES AND ACTIVITIES FOR PUBLIC BENEFIT

Aims

Under the terms of John Martin's original Will and the amended Charity Commission Scheme, the overall aim of the Charity is to benefit the residents of the town and neighbourhood of Evesham, Worcestershire. This is achieved through the implementation of four specific aims:

- ❖ Propagation of the Christian Gospel (Religious support).
- ❖ Relief in need.
- ❖ Promotion of education.
- ❖ Health.

The Trustees have had due regard for the Charity Commission's general guidance on public benefit and its three supplementary guides for the Advancement of Religion, Education and the Relief of Poverty. They are satisfied that the current aims, objectives and activities are for the public benefit and are comparable with the updated descriptions of charitable purposes detailed in the Charities Act 2011.

The objectives shown below are shaped by these four aims and they are largely detailed within the amended Scheme of 1989.

Objectives

Religious support

To assist the Vicars in Hampton and Bengeworth and the three Parochial Church Councils within the town of Evesham.

Relief in need

To assist generally or individually, persons resident within the town of Evesham who are in conditions of need, hardship and distress.

Promotion of education

To promote education to persons residing within the town of Evesham and to provide benefits to schools in the town.

Health

The Trustees have wide ranging authority within the Scheme to provide such charitable purposes as they see fit, for either assisting beneficiaries within the town of Evesham or within the immediate neighbourhood. The Trustees currently use this ability to support people with chronic health problems and other related health issues across the wider beneficial area.

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Activities

The Trustees look to achieve the above objectives in a number of different ways and the following activities are specifically detailed within the Scheme:

To pay towards the defraying of the expenses of the office of Vicar or Priest in Charge in the Parishes of St. Andrew's, Hampton and St. Peter's, Bengeworth; to pay towards the defraying of the Parochial Church Council's expenditure in maintaining church buildings and furthering religious and educational work in the said ecclesiastical Parishes of St. Andrew's, Hampton and St. Peter's, Bengeworth as well as All Saints' and St. Lawrence in Evesham. To pay towards providing St. Andrew's Church of England First School, Hampton such special benefits not normally provided by the local education authority.

After allowing for the Charity's normal operating costs in respect of its administration and management, the total allocation between the above beneficiaries is not allowed to exceed 21% of the remaining income. This percentage has not been exceeded and is currently 14%.

Other activities currently detailed include the provision of items and services calculated to reduce need, hardship or distress, either directly to individuals or to organisations that will provide such support. Local schools are therefore assisted with funding for special educational benefits over and above those supplied by the Local Education Authority and individual students, aged from 4 to 65, are supported through the provision of grants to assist them in their education. People with chronic health and health related issues are also assisted with items or services which will aid them or help to alleviate their condition.

The Charity does not use volunteers for any of its activities.

Grant Making Policy

In providing benefits specifically to two Church of England Clergy, the Charity helps to ensure that pastoral care is available to those living within the parishes and by assisting the local Parochial Church Councils, that the church buildings are maintained. These are both in line with the aims of the original benefactor.

Assistance is not limited to the Church of England; other religious groups are able to apply and some of these have been supported when their requests fall within the "relief in need" criteria.

Within the terms of the Scheme, the Trustees also have the authority to make such policies as they see fit in order to meet the specific objectives. These policies are reviewed on a regular basis to ensure that grants awarded still meet these objectives. They are also adjusted to take account of new legislation, best practice, grant trends or other matters. The Office assists in this process by making recommendations although the final decision is a matter for the Trustees alone.

The Charity invites applications through a variety of methods including; public notices, advertisements, leaflets, the website and via other agencies. Upon receipt, an application is checked against the specific criteria for that type of grant request and the applicant is interviewed. In some circumstances, a home visit may also be undertaken. Once the relevant information has been obtained, the application is detailed on an agenda for consideration by the Trustees. Applications falling outside the set criteria are rejected unless there are mitigating circumstances that warrant further consideration. Likewise, grant assistance is tempered if an applicant becomes over reliant on the Charity. This is in order to prevent any detriment or harm that the over reliance could cause, such as the loss of general community assistance for organisations or the cancellation of state benefits for individuals.

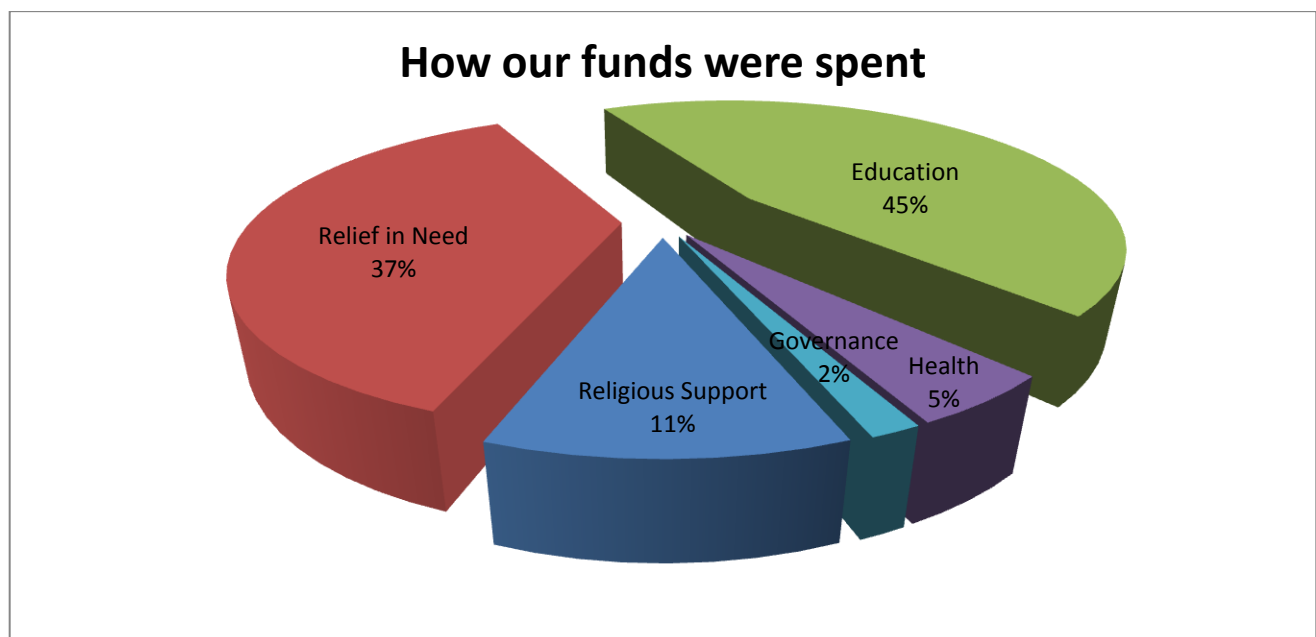
With the exception of the Pensioners' Winter Heating Award and the majority of Student Grants, applications can be made at any time throughout the year. The time restriction on Student Grants is to ensure the overall budget allocation is divided fairly between all of the applicants.

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In setting out the above Policy the Trustees ensure that the public's opportunity to benefit from charitable assistance is not unreasonably restricted. The town of Evesham is deemed to be a sufficiently wide area in which to distribute the majority of the funds, with a larger beneficial area being available for health related grants. Applications are accepted from anyone living within the beneficial area regardless of their religious, ethnic or national background, provided that they meet the specific criteria for the type of grant being requested. This ensures that the grants, where approved, relate directly to the Charity's aims and objectives.

Financial assessments and specific grant criteria help the Trustees to target assistance at applicants who fall within those aims; for instance, school uniform grants are only provided to those with school age children and university grants to those undertaking higher education. Some grants are specifically targeted at those on a low income or who are in poverty, whereas others are awarded to recognise an individual's achievement. In addition, whilst the Charity is always keen to use local suppliers for goods and services, specific contracts are not generally agreed to ensure that no one supplier is favoured over another. Any private benefit received either by the applicant or supplier is therefore incidental to the grant. The Charity does not charge fees for any of its services.

ACHIEVEMENTS AND PERFORMANCE



Religious support

The Charity has continued to meet its objectives under the Scheme in supporting the nominated Vicars and Parochial Church Councils (P.C.C). The basic allocations are agreed at the budget meeting each year and then claims for expenditure are made against set criteria up to the agreed allocation. Each P.C.C. receives a set amount each year, with an extra allocation being paid on a three year rolling programme for special projects. The amounts are detailed in the attached financial statements.

Relief in need

The Charity approved 1,048 (2011/12 – 1,038) applications from individuals, distributing a total of £142,662 (£140,465). These applications were financially assessed in accordance with the Charity's guidelines.

The grants took a variety of forms, for example; 52 cookers were provided to households with either no cooking facilities or those who could not afford replacement facilities, 36 fridges to assist with food storage, 5 utility bills were reduced or cleared to ease pressure on household budgets and 23 disability aids were purchased.

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Part of the funding under this Clause was to assist with the purchase of school uniforms and 91 (96) pupils at various schools were awarded grants totalling £8,075 (£7,365). The Trustees continued to implement their policy to limit school uniform grants to one per child per school level.

The Charity also provided electric wheelchairs and mobility scooters to a number of disabled persons, the ownership of which passed directly to the successful applicant. Medical equipment that is not normally available via the NHS was only provided to applicants after the Charity had received advice and guidance from appropriate medical practitioners.

Under this general "Relief in Need" objective, 'emergency grants' were awarded to applicants who, due to a variety of circumstances, were considered to have an immediate need. Emergency grants totalling £19,829 (£15,661) to 350 (291) applicants were issued and those grants normally consisted of food vouchers together with a small amount of cash. In these emergency situations, the Charity often works with other agencies to ensure that statutory assistance has been fully claimed as the Charity is not allowed to replace state aid.

The Trustees continued with the Pensioners' Winter Heating Award to assist those on a limited income; the main amounts awarded being between £120 and £140. A smaller allowance was provided to applicants who were resident in grouped homes where heat and light was provided within an overall service charge. 422 (473) applicants were assisted at a cost of £68,798 (£65,865) and this included the provision of a trip in the summer and winter.

Applicants who qualified for the Heating Award were invited on two trips. In the summer the Trustees were hosts to 296 guests at Weston-super-Mare and in the winter to 257 guests at a pantomime in Wolverhampton. The Trustees were grateful to the Red Cross personnel and the drivers who accompany the guests and assist the host Trustees. In running these trips an additional social objective is achieved which falls within the overall aim of assisting those from the town of Evesham.

The Charity continues to use the services of businesses and other charities in the town to provide benefits to many applicants and their continuing co-operation is much appreciated by Trustees and staff. During the last year the Charity also directed around 40 applicants to 'Caring Hands in the Vale' at the Vale of Evesham Christian Centre where they were able to collect a food parcel or have a hot meal and this has been a great help to both applicants and the Charity.

A wide variety of local organisations have been supported and the sum of £67,128 (£53,030) was awarded to 17 (14) groups. In order to be considered, groups applying for assistance must provide benefit to local residents and be consistent with the aims and objectives of the Charity. The grants provided to organisations can be a very efficient means of assisting a large number of people, especially in the current economic climate.

Grants in excess of £1,500 are detailed in the financial accounts. The Trustees were pleased to provide a grant of £20,000 to Heart of England MENCAP to enable a specialist lift to be installed in their newly refurbished respite care home in Evesham. Further funding was also provided to South Worcestershire Citizens Advice Bureau for their Welfare Rights Casework project.

A grant of £33,000 was awarded to the Evesham Volunteer Centre during 2010/11 for their project to promote the independence of pensioners in their own homes. The grant is payable over a three year period and the Volunteer Centre have continued to meet the agreed criteria for receipt of the grant.

The Trustees also assist other local charitable organisations by providing temporary meeting rooms without charge, together with the use of other office resources.

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Promotion of education

Half of the Charity's expenditure is allocated to educational awards for schools, colleges and individual students.

The local schools and college received grants totalling £52,182 (£50,715) to support special education needs and the School Governors have to apply each year with details of their proposed expenditure. Within the above amount, St Andrew's Church of England First School in Hampton receives an enhanced payment as benefits to the School are specifically mentioned within the Scheme that governs the Charity.

Individual students attending courses throughout the county are also able to apply for a grant. In 2011/12 a change in the level of funding allowed the Trustees to increase a full higher education grant from £884 to £1,000. This grant was maintained in 2012/13 and 219 students received the full award; the remainder received lower amounts dependent upon their course and individual circumstance. Overall, 334 (340) students received academic awards totalling £259,435 (£260,400).

The Trustees made 58 (60) Miscellaneous Education Awards for music, arts, sports, educational visits and club activities at a cost of £6,365 (£6,022). The criteria for these applications were amended a few years ago in order to increase their availability. Within this group, the Trustees also support young people who are deemed to have met a "Standard of Excellence" within the field of arts, sports or music at county level or above and 18 students were awarded grants.

Health

Although the Trustees set a prudent budget each year, based upon the experience of previous applications and the current objectives, surplus funds will occasionally arise. These funds then become available to support the Trustees' health objective. Whilst funding for health related issues for Evesham residents is included under the general "Relief in Need" heading, a further £11,109 (£9,346) was expended on grants to 15 (15) applicants who lived in the Charity's wider beneficial area. £20,000 was also awarded to St Richard's Hospice to assist with palliative care costs under this objective.

General matters

Across all of the objectives, a total of 163 (129) applications were either withdrawn prior to consideration at a Trustees Meeting or were rejected due to a variety of circumstances.

Each year a commemoration service is held at St Andrew's, Hampton to honour the memory of John Martin and to celebrate the benevolence of his gift to the town of Evesham. All members of the community are invited.

FINANCIAL REVIEW

In order to undertake its work, the Charity is reliant upon the income from its investments. This amounted to £748,942 (£725,433) being an increase of 3.24% over the previous year. The figure includes a nominal sum from other sources as detailed in the financial statements.

Investment Policy and Performance

The investments are currently held in a range of Funds operated or monitored by the appointed Investment Managers, CCLA and Cazenove. Cazenove has a delegated authority which allows them to move funds within their own portfolio.

In accordance with good management, the Trustees monitor the funds through a range of measures:

- Quarterly reports from the respective Fund Managers.
- An annual review of the overall investment policy.

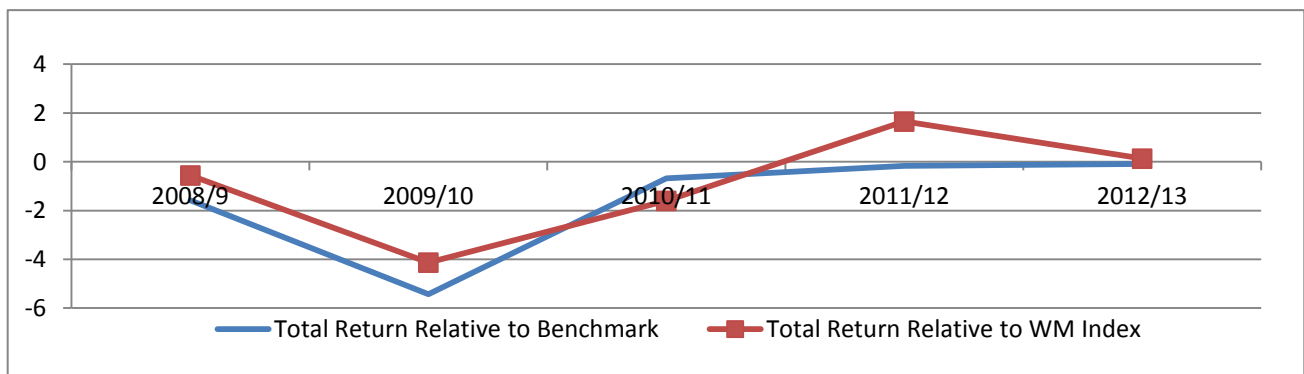
**JOHN MARTIN'S CHARITY
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- Comparison against agreed benchmarks.

The benchmarks comprise of:

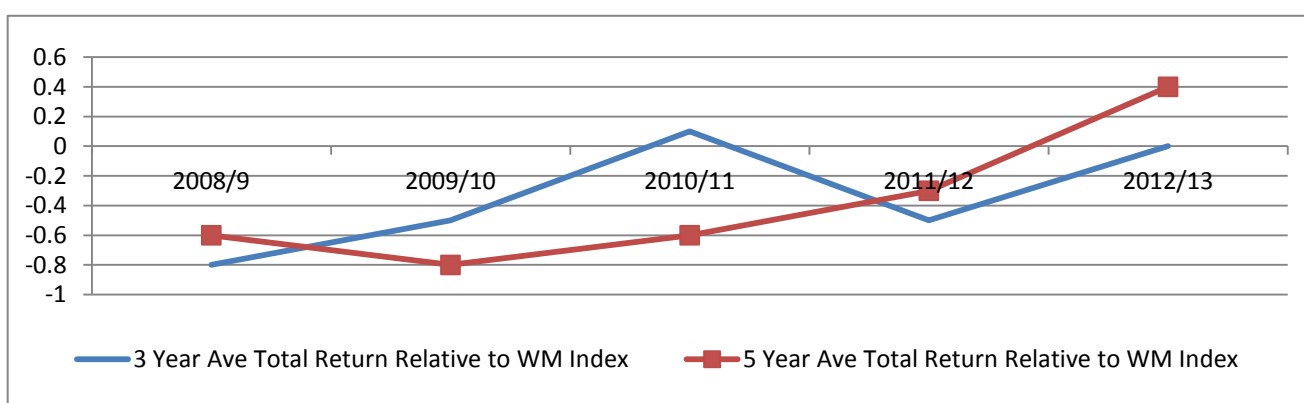
- An income target of £735,000
- A composite benchmark specific to the Charity.
- A comparative benchmark provided by the WM Company Charity Fund Index. As the Charity invests its funds in similar ways to other endowed Charities, this Index is considered to be a useful guide to the expected rates of return for a typical UK Charity Fund.

The portfolio had underperformed in some areas during 2009/10 and this prompted the Board's decision to sell the funds held at the Charities Aid Foundation. These were re-invested into a separate portfolio managed via Cazenove. The transfer occurred in mid-2010 following full discussions with the Charity's Investment Managers and the amendments had a positive effect immediately. The portfolio achieved a total return of 12.83% being 0.09% below the composite benchmark and 0.13% above the Charity Fund Index. The income target was exceeded by £14,000. This was a large improvement upon the results for 2009/10 when the underperformance was 5.43% and 4.13% respectively, as detailed below:



In the current economic climate, the Trustees have retained their focus on income generation to ensure that the value of the Charity's income does not fall in real terms. The portfolio held at CCLA was therefore adjusted towards the end of the previous financial year and further amendments were also made at Cazenove in accordance with this policy. A minimum income figure of £735,000 has now been set for 2013/14 but further increases are unlikely to occur in the short term in order to prevent the balance between income and longer term capital retention becoming out of line.

Whilst the Trustees are able to take a long term view in respect of capital values and, in line with their risk management policy acknowledge that these values will fall and rise over shorter time periods, the retention of capital is key to ensuring the Charity's longer term performance. A comparison of the Charity's average total return over both three and five years shows that the portfolio has equalled and slightly exceeded the Charity Fund Index over these time periods. The improving trends are shown below.



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Reserves Policy

The Office monitors the level of reserves throughout the year and provides the Trustees with details of the Charity's cash flow position. The main Policy is based upon two requirements:

- To allow the Charity to function for the foreseeable future. (Un-restricted Reserve)
- To release grants as they are approved. (Restricted Reserve)

Given the grant-making nature of the Charity, the Trustees' policy is to retain sufficient funds to enable the Charity's office to function and meet its obligations under employment laws. A reserve, being the equivalent of 12 months support and governance costs, excluding depreciation, is therefore considered prudent. As at 31 March 2013, the free reserves in unrestricted general funds stood at £105,538 (£109,712) against the requirement of £121,506 (£119,484). This shortfall is not considered as a significant amount within the overall funding of the Charity.

The second requirement is to hold sufficient cash reserves to allow the Charity to release general grants as they are approved and also to issue the approved student and heating grants over the autumn and winter periods. As the Charity's income varies throughout the year, it is considered necessary to hold an amount equal to one quarter of the projected annual grants as a Restricted Reserve. This was set at £160,000 for 2012/13.

The Charity received a similar number of applications as last year although total grant expenditure increased by £16,000. As allowed within the Scheme, the Trustees used some of the funds held within the Restricted Reserve to cover the cost of the health related grants and the Reserve was reduced to £195,738 by the year end.

The Restricted Reserve target has been set at £167,000 for 2013/14.

PLANS FOR THE FUTURE

Prior to each financial year a budget is agreed which identifies the expected income together with key areas of expenditure. After allowing for support and governance costs, the intention is to distribute the remaining income in accordance with the aims and objectives of the Charity.

The budget is based upon forecasts from the Office and Fund Managers and from the experience of previous years. It is then adjusted in line with known factors and any change of emphasis that the Trustees may wish to introduce in their grant making.

To this end the Trustees and staff continue to review the support provided to the community of Evesham and seek to ensure that their work and policies reflect current needs. This review is achieved through regular meetings and contacts with other charities and support agencies to which referrals are often made. It has been noted from feedback that our own work can often be enhanced if other agencies can also become involved and likewise we are pleased to be able to support them by making joint grants. Whilst this is not necessary in every case, when it does occur, the Charity has been constructive in obtaining monetary and practical assistance from other sources for the benefit of applicants. This is an area that the Charity will continue to develop to ensure that applicants can access the wide variety of help that is available from sources that are sometimes not widely known about.

At a strategic review held in February 2006, the Trustees concluded that the current aims and objectives detailed in the Scheme were still relevant and that the specific types of grant used as a means of meeting those objectives would be maintained. However, the Board is keenly aware that the economic climate has changed since then and that different types of requests are being seen. Following a six month review period in 2011, it was decided to implement some Policy amendments and this enabled a wider range of applications to be considered.

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Enquiries to the Charity are always welcomed and Trustees are pleased to consider all requests meeting their current policies and the Charity Commission Scheme requirements.

The Trustees would like to take this opportunity to thank the Office for their work throughout the year and their continued dedication to the Charity.

This Report was approved and adopted by the Board of Trustees at the Annual General Meeting held on 27th June 2013.

**Signed by Nigel Lamb.
Trustee**

**Signed by Mrs Julie Westlake.
Trustee**

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2013

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Charity's trustees are responsible for preparing the Trustees Annual 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;
- 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 and the Charity (Accounts and Reports) Regulations 2008. The trustees 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.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
JOHN MARTIN'S CHARITY**

We have audited the financial statements of John Martin's Charity for the year ended 31 March 2013 which comprise the Statement of Financial Activities, the Balance Sheet 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 trustees, 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 a Report of the Auditors 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.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page eleven, the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2013 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.



Allchurch Bailey Limited
Statutory Auditors
93 High Street
Evesham
Worcestershire WR11 4DU

27 June 2013

JOHN MARTIN'S CHARITY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2013

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2013 £	Total funds 2012 £
Incoming Resources						
<i>Incoming resources from generated funds:</i>						
Investment income	3	748,942	-	-	748,942	725,433
Total incoming resources		<u>748,942</u>	<u>-</u>	<u>-</u>	<u>748,942</u>	<u>725,433</u>
Resources expended						
<i>Costs of generating funds</i>						
Professional fees		-	-	42,626	42,626	21,262
Investment management fees		-	-	22,073	22,073	21,289
<i>Charitable activities:</i>						
Religious support	4	-	83,234	-	83,234	80,948
Relief in need	4	-	285,007	-	285,007	266,716
Promotion of education	4	-	349,079	-	349,079	350,068
Health	4	-	36,873	-	36,873	36,978
Governance costs	7	12,233	-	-	12,233	11,864
Total resources expended		<u>12,233</u>	<u>754,193</u>	<u>64,699</u>	<u>831,125</u>	<u>789,125</u>
Net incoming/(outgoing) Resources before transfers		736,709	(754,193)	(64,699)	(82,183)	(63,692)
Transfers between funds	16	(731,709)	731,709	-	-	-
Realised (losses)/gains on investments		-	-	(37,188)	(37,188)	29,975
Unrealised gains/(losses) on investments	11	-	-	1,966,749	1,966,749	(94,581)
Net movement in funds		5,000	(22,484)	1,864,862	1,847,378	(128,298)
Reconciliation of funds:						
Fund balances at 01.04.12	16	341,510	218,222	18,068,157	18,627,889	18,756,187
Fund balances at 31.03.13	16	<u>346,510</u>	<u>195,738</u>	<u>19,933,019</u>	<u>20,475,267</u>	<u>18,627,889</u>

The Statement of Financial Activities includes all gains and losses in the year and, therefore, a statement of total recognised gains and losses has not been prepared.

All the above amounts relate to continuing activities.

The notes form part of these financial statements

JOHN MARTIN'S CHARITY

**BALANCE SHEET
31 MARCH 2013**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2013 £	2012 £
Fixed Assets:						
Tangible fixed assets	10	216,772	-	-	216,772	212,598
Investments	11	-	-	19,800,792	19,800,792	18,117,192
		216,772	-	19,800,792	20,017,564	18,329,790
Current assets:						
Stock		-	268	-	268	312
Debtors	12	-	789	-	789	884
Vouchers held		-	1,700	-	1,700	1,365
Short term deposits		85,068	247,652	132,227	464,947	307,789
Cash at bank and in hand	13	53,558	-	-	53,558	82,531
		138,626	250,409	132,227	521,262	392,881
Liabilities:						
Creditors falling due within one year	14	(8,888)	(54,671)	-	(63,559)	(94,782)
Net current assets		129,738	195,738	132,227	457,703	298,099
Total net assets		346,510	195,738	19,933,019	20,475,267	18,627,889
Funds of the Charity:						
Endowment		-	-	19,933,019	19,933,019	18,068,157
Restricted		-	195,738	-	195,738	218,222
Unrestricted - designated		24,200	-	-	24,200	19,200
Unrestricted - general		322,310	-	-	322,310	322,310
Total Charity funds	16	346,510	195,738	19,933,019	20,475,267	18,627,889

The financial statements were approved by the Board of Trustees on 27 June 2013 and were signed on its behalf by:

Nigel Lamb, Trustee

Mrs Julie Westlake, Trustee

**JOHN MARTIN'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception that investments are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005) issued in March 2005 and Applicable UK Accounting Standards and the Charities Act 2011.

Funds structure

The Charity received a permanent endowment of agricultural land through the will of John Martin in 1714. As parcels of this land have been sold, all proceeds have been reinvested in suitable financial investment funds, which must remain as endowed funds of the Charity. The income from the investments is wholly unrestricted, subject to the provisions the Charity's scheme, which defines the beneficiaries of the income there from.

The restricted fund represents the income transferred from the unrestricted fund after meeting the Charity's support and governance costs. The remaining income is then applied to meet the grant making objectives of the Charity. Any surplus or deficit on the year is carried forward in the restricted fund, and is available for distribution in future years, in accordance with the 1989 Scheme of the Charity.

The unrestricted fund balance represents surplus income brought forward from the period prior to the adoption of the 1989 Scheme. This fund can be expended at the Trustees' discretion.

Incoming resources

All incoming resources are recognised once the Charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Resources expended and irrecoverable VAT

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to individuals, schools or organisations in the furtherance of the objectives of the Charity. The grants are accounted for where either the Trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the Charity.

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

Tangible fixed assets and depreciation

The Charity's freehold property was professionally valued by Gusterson Palmer, Chartered Surveyors, on an open market value at 21 May 1998. This valuation has been adopted as the historical cost under the transitional provisions of the Financial Reporting Standard 15. In the cases where fixed assets have been acquired in previous years but not capitalised in those accounts, they have been valued by the Trustees at their estimated current value to the Charity.

With the exception of renovation costs no depreciation is charged on the freehold property. The Charity is responsible for the upkeep and maintenance of the property and the general costs written off as incurred. Accordingly the Trustees consider the life of the property to be so long that any depreciation will be immaterial in the context of these accounts.

Depreciation of other fixed assets is calculated to write off the cost or valuation over their estimated useful lives as follows:

Building renovation costs	20%	straight line
Computer equipment	25%	straight line
Fixtures and fittings	20%	straight line

JOHN MARTIN'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES continued

Current assets - non cash

Stock - A quantity of cookers, tents and sleeping bags were purchased during the year and undistributed at the year end. These items have been included at cost and will be distributed in the near future.

Vouchers held - As some grants are awarded in the form of gift vouchers, the Charity holds some monies in the form of gift vouchers. These are included in the accounts at their cash value.

Allocation of support costs and overheads

Overhead and support costs have been allocated first between charitable activity and governance. Overhead and support costs relating to charitable activities have been apportioned between the four main activities on the basis of the administrative time spent in assessing and awarding grants made within those activities, except where a specific cost is directly attributable to an activity. The allocation of support costs and overheads is analysed in note 6.

Charitable activities

Costs of charitable activities include grants made and an apportionment of support costs and overheads as shown in note 4.

Governance costs

Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs, as shown in note 7.

Fixed asset investments

Investments are stated at market value as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are separated in the Statement of Financial Activities.

Pensions

Employees of the Charity are entitled to join a defined contribution 'Money Purchase' Scheme, The Charity contribution is restricted to the contributions disclosed in note 8. Contributions are charged to the statement of financial activities as they fall due

Contingent liabilities and provisions

Grants - In accordance with the SORP, a contingent liability is disclosed for those grants, which do not represent liabilities, where possible obligation, which arises from past events, will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control. Provisions are recognised for those grants where there is uncertainty as to the timing or amount, and any uncertainty regarding the amount is more than one of determining a basis for reasonable estimation of the liability arising from the constructive obligation.

Pension obligations - In accordance with the accounting guidelines introduced via Financial Reporting Standard 17 ("FRS17"), a contingent liability is disclosed where a possible obligation to pay further pension contributions exists.

JOHN MARTIN'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

2. TRUSTEES' REMUNERATION AND RELATED PARTY TRANSACTIONS

Trustees received no emoluments (2012 £Nil). Mr N Lamb received £nil (2012 £34) and Mrs J Westlake received £19 (2012 £nil) of expenses in the year.

The following related party transactions occurred during the year.

The Vicars of Hampton and Bengeworth, as ex-officio trustees, are entitled to have their expenses of office paid in accordance with Clause 25(1) and 25(2) of the 1989 Scheme. These amounted to £6,278 (2012: £6,956) and £2,292 (2012: £ £3,215).

Mrs Diana Scorse, the wife of co-optative Trustee, Mr Cyril Scorse, receives fees as an organist at St Andrew's Church, Hampton. These fees are refunded to the Parochial Church Council under Clause 25(3) of the 1989 Scheme and total £1,680 (2012: £1,720).

Mrs Binney, the wife of Trustee, Reverend Mark Binney, receives fees as a relief organist at St Andrew's Church, Hampton. These fees are refunded to the Parochial Church Council under Clause 25(3) of the 1989 Scheme and total £160 (2012: £nil).

The son of Trustee, Cathy Evans received a Category A education grant amounting to £nil (2012: £1,000), in accordance with the Award Scheme operated under Clause 30 (as amended on 8 July 1999) of the 1981 Scheme and Clause 27 of the 1989 Scheme.

3. INVESTMENT INCOME

	2013	2012
	£	£
Interest	5,372	2,450
Dividends	742,323	722,338
Rent receivable	1,152	645
Miscellaneous	95	-
	<u>748,942</u>	<u>725,433</u>

All the above investment income is unrestricted funds.

4. ANALYSIS OF CHARITABLE EXPENDITURE

The Charity undertook no direct charitable activities but awarded grants to a number of individuals, schools and other organisations in furtherance of its charitable activities.

	Grants awarded	Support costs	Total 2013	Total 2012
	£	£	£	£
Religious support	77,470	5,764	83,234	80,948
Relief in need	209,790	75,217	285,007	266,716
Promotion of education	319,982	29,097	349,079	350,068
Health	31,109	5,764	36,873	36,978
	<u>638,351</u>	<u>115,842</u>	<u>754,193</u>	<u>734,710</u>

JOHN MARTIN'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

5. ANALYSIS OF GRANTS

	Grants to organisations and schools	Grants to individuals	Total 2013	Total 2012
	£	£	£	£
Religious support	68,900	8,570	77,470	75,316
Relief in need	67,128	142,662	209,790	193,495
Promotion of education	54,182	265,800	319,982	321,907
Health	20,000	11,109	31,109	31,346
	<u>210,210</u>	<u>428,141</u>	<u>638,351</u>	<u>622,064</u>

Analysis of grants to organisations and schools:

	2013	2012
	£	£
Religious support		
St Andrews PCC Hampton	31,080	17,689
St Peters PCC Bengeworth	18,910	29,766
All Saints PCC Evesham	18,910	17,690
	<u>68,900</u>	<u>65,145</u>
Relief in need		
Acquired Aphasia Trust	5,000	3,000
Avonvale Special Needs Toddler Group	-	5,000
Caring Hands in the Vale	-	1,500
Evesham Methodist Church	3,000	-
Evesham Adventure Playground	-	9,000
Evesham & District Mental Health	10,000	15,000
Evesham Shop Mobility	6,500	6,500
Home Farm Trust	-	5,000
Heart of England Mencap	20,000	-
The Garage Art Group	4,000	-
South Worcestershire Citizens Advice Bureau	12,000	5,000
Grants < £1,500 (10 grants), (2012: 6 grants)	6,628	3,030
	<u>67,128</u>	<u>53,030</u>
Promotion of Education		
Hampton First School	9,242	10,384
Bengeworth First School	2,890	2,710
St Mary's Primary School	1,570	1,414
St Richard's First School	2,910	2,718
Swan Lane First School	2,770	2,489
Simon de Montfort Middle School	2,610	2,482
St Egwin's Middle School	2,960	2,805
Evesham High School	7,470	7,379
Prince Henry's High School	11,240	10,690
South Worcestershire College	5,630	5,074
Vale of Evesham Special School	2,890	2,570
Youth Music Festival	500	500
Life Education Centre	-	4,270
Evesham Festival of Music	1,500	-
	<u>54,182</u>	<u>55,485</u>

JOHN MARTIN'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

5. ANALYSIS OF GRANTS continued

	2013	2012
	£	£
Health		
Breast Cancer Haven	-	2,000
St Richard's Hospice	20,000	20,000
	20,000	22,000
	210,210	195,660

6. ALLOCATION OF SUPPORT COSTS AND OVERHEADS

The breakdown of support costs and overheads and how these were allocated between governance and charitable activities is shown in the table below:

Cost type	Governance	Charitable activities	Total 2013	Total 2012
	£	£	£	£
Staff costs	4,646	96,059	100,705	96,887
Office costs	318	6,030	6,348	8,500
Premises costs	348	6,608	6,956	6,855
Advertising	-	542	542	515
Depreciation	328	6,241	6,569	5,026
Legal and professional fees	19	362	381	387
	5,659	115,842	121,501	118,170

The basis of apportionment was staff time, except training, publications, subscriptions and advertising which were split according to the nature of the transaction.

The total support costs and overheads attributable to the charitable activities are then apportioned pro rata to the staff time spent administering each type of award as follows:

	2013	2012
	£	£
Religious support	5,764	5,632
Relief in need	75,217	73,221
Promotion of education	29,097	28,161
Health	5,764	5,632
Total allocated to charitable activities	115,842	112,646

7. ANALYSIS OF GOVERNANCE COSTS - UNRESTRICTED

	2013	2012
	£	£
Staff costs	4,646	4,486
Office costs	318	425
Premises costs	348	343
Depreciation and loss on disposal of assets	328	251
Professional fees	19	19
<i>From Note 6:</i>	5,659	5,524
Audit and accountancy fees	6,574	6,340
	12,233	11,864

JOHN MARTIN'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

8. STAFF COSTS

	2013	2012
	£	£
Wages and salaries	85,240	82,335
Social security costs	8,663	7,988
Pension costs – defined contribution scheme	<u>6,802</u>	<u>6,564</u>
	<u>100,705</u>	<u>96,887</u>

The average number of full time equivalent employees during the year was 3 (2012: 3) with all employee time involved in providing either support to the governance of the Charity or support services to charitable activities.

No employees had emoluments in excess of £60,000 (2012: Nil).

No pension contributions were outstanding at the year-end (2012: Nil).

9. AUDITORS' REMUNERATION

The Auditors' remuneration constituted an audit fee of £5,420 plus VAT (2012: £5,250 plus VAT).

10. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 April 2012	200,000	100,802	53,489	18,169	372,460
Additions	-	7,024	122	3,597	10,743
	<u>200,000</u>	<u>107,826</u>	<u>53,611</u>	<u>21,766</u>	<u>383,203</u>
DEPRECIATION					
At 1 April 2012	-	93,075	50,679	16,108	159,862
Charge for year	-	3,981	815	1,773	6,569
	<u>-</u>	<u>97,056</u>	<u>51,494</u>	<u>17,881</u>	<u>166,431</u>
NET BOOK VALUE					
At 31 March 2013	<u>200,000</u>	<u>10,770</u>	<u>2,117</u>	<u>3,885</u>	<u>216,772</u>
At 31 March 2012	<u>200,000</u>	<u>7,727</u>	<u>2,810</u>	<u>2,061</u>	<u>212,598</u>

The Charity's freehold property was professionally valued by Gusterson Palmer, Chartered Surveyors on an open market basis at 21 May 1998. This valuation has been adopted as the historical cost under the transitional provisions of the Financial Reporting Standard 15.

All the above tangible fixed assets were used for direct charitable purposes.

JOHN MARTIN'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

11. FIXED ASSET INVESTMENTS

Quoted investments

	2013	2012
	£	£
Market value at 1 April 2012	18,101,192	18,165,589
Additions to investments at cost	1,404,520	977,620
Disposals	(1,650,482)	(977,411)
Realised (losses)/gains	(37,188)	29,975
Net unrealised investment gains/(losses)	<u>1,787,750</u>	<u>(94,581)</u>
Market value at 31 March 2013	<u>19,605,792</u>	<u>18,101,192</u>
Historical cost at 31 March 2013	<u>13,515,570</u>	<u>14,460,284</u>

Other investments

17.76 acres of agricultural land held for investment purposes

Market value at 31 March 2013	<u>195,000</u>	<u>16,000</u>
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The investment land was professionally valued by Bruton Knowles, Chartered Surveyors, on 12 November 2010. The land was permanently endowed to the Charity, as detailed in note 17 to the financial statements.

Total investments	<u>19,800,792</u>	<u>18,117,192</u>
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86% (2012: 91%) of the above investments were held in the UK.

Material investments with a value of 5% or more of the Charity's funds were as follows:

Holding	Fund	2013	2012
		£	£
513,411	COIF Charities Investment Fund Income Units	5,799,901	5,162,655
1,267,093	COIF Charities Property Fund Income Units	1,196,009	1,284,705
	Cazenove Absolute Return Trust for Charities	-	1,391,721
1,332,000	Cazenove Growth Trust for Charities	1,834,143	1,635,050
2,300,000	Cazenove Equity Income Trust for Charities	1,978,000	1,657,495
959,209	Trojan Income Fund	1,452,530	1,289,656
800,000	Neptune Investment Management Income Fund	1,320,000	1,223,200
1,640,000	PSIGMA Income Fund	1,364,808	1,239,020
9,855	Cazenove Jubilee Absolute Return	1,037,727	-

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Prepayments and accrued income	<u>789</u>	<u>884</u>

13. CASH AT BANK AND IN HAND

At the year end, cash from the unrestricted fund of £nil (2012: £49,035) had been used to settle liabilities of the endowment fund. Investments were sold after the year end and the unrestricted fund was reimbursed in full.

JOHN MARTIN'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Grants payable (restricted)	54,671	81,152
Sundry creditors (unrestricted)	<u>8,888</u>	<u>13,630</u>
	<u>63,559</u>	<u>94,782</u>

15. PENSION COMMITMENTS

The charity offers a pension scheme to all employees and pension contributions of £6,802 (2012: £6,564) were made in the year. There were no contributions outstanding at the year end.

Under the definitions set out in the Financial Reporting Standard 17 (FRS17) the Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. The Charity is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Charity has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The nature of the Scheme is such that if the charity were to withdraw from the scheme then a liability would crystallise. At this point in time there are no plans to withdraw from the scheme.

16. ANALYSIS OF CHARITABLE FUND

	Balance at 1 April 2012	Incoming resources	Resources expended	Transfers	Gains & losses	Balance at 31 March 2013
	£	£	£	£	£	£
Endowment fund						
Permanent endowment fund	18,068,157	-	(64,699)	-	1,929,561	19,933,019
Restricted fund						
Grant making	218,222	-	(754,193)	731,709	-	195,738
Unrestricted fund						
Designated training provision	5,200	-	-	-	-	5,200
Designated 300 th anniversary	14,000	-	-	5,000	-	19,000
General fund	322,310	748,942	(12,233)	(736,709)	-	322,310
Total unrestricted fund	<u>341,510</u>	<u>748,942</u>	<u>(12,233)</u>	<u>(731,709)</u>	<u>-</u>	<u>346,510</u>
Total funds	<u>18,627,889</u>	<u>748,942</u>	<u>(831,125)</u>	<u>-</u>	<u>1,929,561</u>	<u>20,475,267</u>

Transfers between funds

In accordance with the charity scheme, £5,000 (2012: £12,000) has been earmarked for use internally under clause 28 of the scheme and transferred from the general fund.

17. DESCRIPTION, NATURE AND PURPOSE OF THE FUNDS

Permanent endowment fund

The Charity received a permanent endowment of agricultural land through the will of John Martin in 1714. John Martin had lived in Hampton, near Evesham, and bequeathed his lands on condition that they were to be held as a permanent endowment with the income arising being for the specific purposes

JOHN MARTIN'S CHARITY
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

17. DESCRIPTION, NATURE AND PURPOSE OF THE FUNDS continued

Permanent endowment fund

of providing for a vicar in the parishes of Hampton and Bengeworth, assisting with the education of local children and for the relief in need of the people of Hampton, Bengeworth and Evesham. Since then, most of the original land has been sold and the proceeds re-invested in investment funds, which must also be retained as permanent endowment.

Significant expenses incurred in the administration of the remaining land are also charged to this fund, in accordance with SORP 2005.

The Trustees, with the approval of the Charities Commission, have subsequently expanded the beneficial area to which the bequest relates as part of a series of Schemes. These dictate that all income arising from the permanent endowment is unrestricted in the first instance, to allow for reasonable running costs of the Charity to be met. Any surplus after that must be transferred to the Restricted Fund set out below to be distributed as grants in accordance with the rules of the scheme.

Restricted fund

Under the rules of the 1989 Scheme, once costs of governance and administration have been deducted from the annual income, all remaining monies must be distributed as grants, subject to the restrictions laid out in the Scheme. Any monies not distributed within the same year must be carried forward as a restricted fund, which can only be distributed as grants in future years.

Unrestricted fund

The unrestricted fund balance represents surplus income brought forward from the period prior to the adoption of the 1989 Scheme and is available to be spent at the Trustees' discretion. Part of the fund is currently utilised as a general reserve to assist cash flow and enable the Charity to operate on a day to day basis. The tangible fixed assets detailed in Note 10 are also included within this fund.

Designated funds

Within the unrestricted fund, the Trustees, from time to time, establish a small number of designated funds for specific items of expected future expenditure, as described by the name of the fund. These are reviewed annually and transfers made as appropriate in light of these expectations.