

# **JOHN MARTIN'S CHARITY**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

**Registered Charity Number 527473**



**JOHN MARTIN'S CHARITY**  
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**FOR THE YEAR ENDED 31 MARCH 2017**

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## JOHN MARTIN'S CHARITY

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2017

The Trustees present their annual report and financial statements of the Charity for the year ended 31<sup>st</sup> March 2017.

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, the Charities Act 2011, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

### AIMS, OBJECTIVES AND ACTIVITIES FOR PUBLIC BENEFIT

#### Aims

Under the terms of John Martin's original Will and a Scheme approved by the Charity Commission, 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 main 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 detailed within the above mentioned Scheme.

#### 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 and other charitable purposes

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 mainly use this ability to support people with chronic and other related health issues across a wider beneficial area. This area is detailed on the Charity's website.

## JOHN MARTIN'S CHARITY

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2017

#### 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 three ecclesiastical Parishes of St. Andrew's, Hampton, St. Peter's, Bengeworth and All Saints' and St. Lawrence in Evesham, and;
- 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 13%.

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 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 either aid or help to alleviate their condition.

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

#### Grant Making Policy

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

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

Within the terms of the Scheme, the Trustees 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.

## JOHN MARTIN'S CHARITY

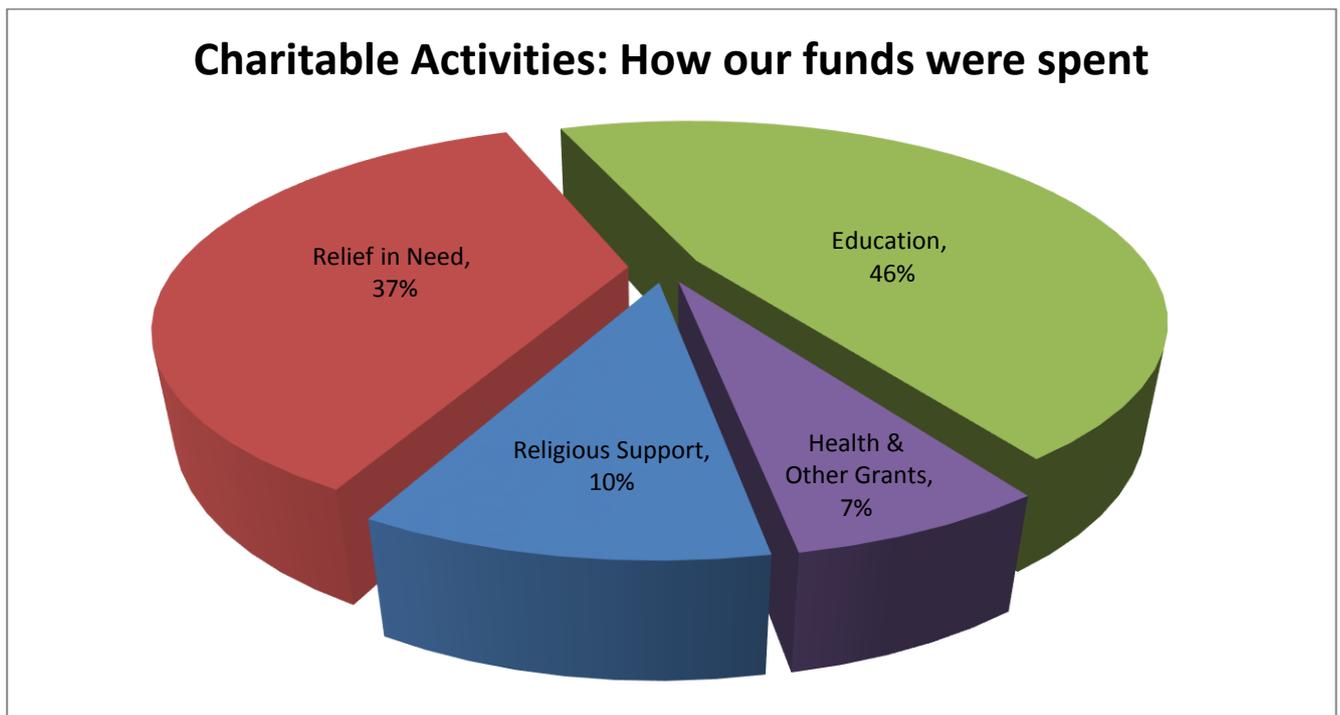
### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2017

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 that the overall budget allocation is divided fairly between all of the applicants.

In setting out their 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, confirmation that a student is attending the agreed course is required before their grant is paid. 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 funding allocations are agreed at the budget meeting each year and then claims for expenditure are made against set criteria up to the agreed allocation. The three P.C.C's each receive the same amount towards their general expenditure, with an extra one-off allocation being made every third year for special projects, such as lighting, furnishings, building repairs. The amounts are detailed in the attached financial statements.

## JOHN MARTIN'S CHARITY

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2017

#### Relief in need

The Charity approved 834 (2015/16 – 826) applications from individuals, distributing a total of £118,331 (£115,282). These applications were financially assessed in accordance with the Charity's guidelines.

The grants took a variety of forms, for example; 4 cookers were provided to households who could not afford replacement facilities, 7 freezers were provided to assist with food storage, 30 grants helped ease pressure on household budgets and 15 disability aids were purchased.

Part of the funding under this objective was used to assist with the purchase of 93 (68) school uniforms and grants totalling £8,705 (£7,468) were provided. Uniform grants are considered twice at First and High School level and once at Middle School. Pupils requiring course specific clothing at College may also apply.

The Charity provided a number of electric wheelchairs and mobility scooters to disabled applicants in addition to other disability aids. Medical equipment that is not normally available via the NHS was only provided after the Charity had received advice and guidance from appropriate medical practitioners.

Within this objective 'emergency grants' were awarded to applicants who, due to a variety of circumstances such as, homelessness, unemployment, low income or debt issues, were considered to have an immediate need. Emergency grants totalling £19,302 (£18,737) were issued on 348 (311) occasions. The grants normally consisted of food vouchers together with a small amount of cash to cover pre-paid utility meters. 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 £135 and £155. A smaller allowance was provided to applicants who were resident in sheltered housing where heat and light was provided within an overall service charge. 335 (363) applicants were assisted at a cost of £57,129 (£61,050).

Applicants who qualified for the Heating Award were invited on two trips. In the summer the 186 people went to Weston-Super-Mare and in the winter, 150 were taken to a pantomime in Wolverhampton. The Trustees were grateful to the Red Cross personnel and the drivers who accompanied the guests and assisted the host Trustees. In running these trips an additional social objective was 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 directed around 50 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. The Charity also referred 44 applicants to the local "Discretionary Welfare Assistance Scheme" (DWA) which is supported by Wychavon District Council. This scheme provided 93 items including 26 electric cookers, 30 washing machines and 32 fridges or fridge freezers. The availability of this assistance substantially reduced the number of requests for white goods that the Charity had previously received and offset over £20,000 of charitable funds that the Board were able to use elsewhere. The DWA Scheme will cease on 31 May 2017 and it is expected that the Charity will begin to receive additional requests for assistance with white goods.

National charities have also been approached if it was found that longer term assistance was appropriate. 36 single women over the age of 60 were referred in this manner and grants totalling £19,440 were obtained to ease their household budgets.

## JOHN MARTIN'S CHARITY

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2017

A wide variety of local organisations have been supported and £79,065 (£76,060) was awarded to 11 (26) groups. In order to be considered, groups applying for assistance must provide benefit to local residents consistent with the aims and objectives of the Charity. The Trustees consider that grants provided to these organisations are an efficient means of assisting a large number of local people.

Organisation grants in excess of £1,500 are detailed in the financial accounts. In particular, the Trustees provided grants of £10,000 to South Worcestershire Citizens Advice to help with their general running costs and £10,000 to Worcester CAB/WHABAC who run a housing project within Evesham. The second payment towards a three year project run by the Evesham Methodist Church was paid out and further assistance was given to Yellow Scarf who operate support groups to help reduce alcohol dependency. Another three year grant was also approved to assist the Evesham Volunteer Centre run their transport and "promoting older persons independence" projects. In agreeing to this longer term funding, the Trustees aim to assist with the stability of these services. In accordance with good practice, the groups have to comply with terms and conditions that are set out at the start of the grant process. This ensures that the services are being delivered and grants are reduced or withheld if the conditions have not been met.

Mental health issues are very prevalent in the news at the moment and during the year the Charity has supported a number of initiatives to assist in this area:

- Support of the Garage Art Group has continued - this long standing group provides art therapy on a regular basis and the members continue to produce some excellent work.
- Outside Youth Association is employing a specialist support worker to assist with intervention work and the early identification of issues. A grant aimed to tie in with "Positive Activities" funding provided through Worcestershire County Council will help to cover the Association's costs.
- Mentorlink provides 1 to 1 mentoring sessions for children. These are undertaken in conjunction with the child's parents and school.

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

#### **Promotion of education**

Just under half of the Charity's expenditure is allocated towards educational awards for schools, colleges and individual students.

The local schools and college received grants totalling £61,130 (£52,960) to support special education needs and the School Governors have to apply each year with details of their proposed expenditure. The grants assist schools to purchase additional resources, such as books, equipment or teaching hours. Within the above amount, St Andrew's Church of England First School in Hampton receives an enhanced payment as benefits to that School are specifically mentioned within the Scheme that governs the Charity. The Vale of Evesham School also received an additional grant this year to assist with a major refurbishment of their playground equipment.

The Charity supported an organisation that visits schools with a mobile classroom and provides specialist lessons in health and wellbeing through subsidising the fee that the schools would otherwise have had to pay. Different year groups learnt about issues ranging from; How the body works and how to look after it through a balanced diet and personal hygiene, "Feelings" and how to get help from adults in instances of teasing and bullying, "It's great to be me" - peer influences, taking responsibility for their own safety and behaviour, and how to identify risks. Feedback provided by the schools indicated that the sessions had been a valuable resource and had enhanced subsequent learning in the classroom.

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### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2017

Individual students attending Degree and other courses throughout the country were able to apply for a grant to assist with their living and course expenses. Between 2011/12 and 2015/16 the Trustees gradually increased this grant from £884 to £1,100. The grant was increased again in 2016/17 to £1,150 and 191 students received the full award. Students who lived at home during their studies or who had other sources of finance received a percentage of the full grant detailed above. The Trustees were pleased to be able to increase these smaller grants too; the percentages rising in some instances from 50% to 65%. Overall, grants totalling £260,550 (£257,305) were issued to 304 (301) students.

The Trustees made 50 (45) Miscellaneous Education Grants towards extra-curricular activities such as music, arts, sports, educational visits and club activities at a cost of £6,863 (£5,500). Within this group, the Trustees also supported 7 young people who were deemed to have met a Standard of Excellence within the field of the arts, sports or music at county level or above. Standard of Excellence Awards are not financially assessed as they are based on achievement and so within this remit the Board were also pleased to renew their sponsorship of the Young Musician of the Year competition which is being held as part of the Evesham Festival of Music.

#### Health and other charitable purposes

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 the funding for health related issues for Evesham residents is included under the general "Relief in Need" heading detailed above, a further £3,189 (£8,605) was expended on grants to 26 (29) applicants who lived in the Charity's wider beneficial area.

£24,000 was awarded to St Richard's Hospice to assist with the cost of providing specialist nurses within the Charity's beneficial area and £10,000 to Acorns Children's Hospice for the palliative care provided to local residents. A grant of £5,000 to offset service costs was also provided to Breast Cancer Haven which is based at the new Breast Cancer Unit at Worcester Royal Hospital.

#### General matters

Across all of the objectives, a total of 152 (162) applications were either withdrawn prior to consideration at a Trustees Meeting or rejected because they failed to meet set financial or other criteria. Applicants were referred to other agencies, such as Citizens Advice, Job Centre Plus, Wychavon Housing or Rooftop Housing where additional or alternative assistance was identified.

### FINANCIAL REVIEW

In order to undertake its work, the Charity is reliant upon the income from its investments. This amounted to £807,094 (£774,933) being an increase of 4.15% over the previous year. The figure includes nominal sums 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 delegated authority which allows them to move funds within their 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.
- A comparison against agreed benchmarks.

## JOHN MARTIN'S CHARITY

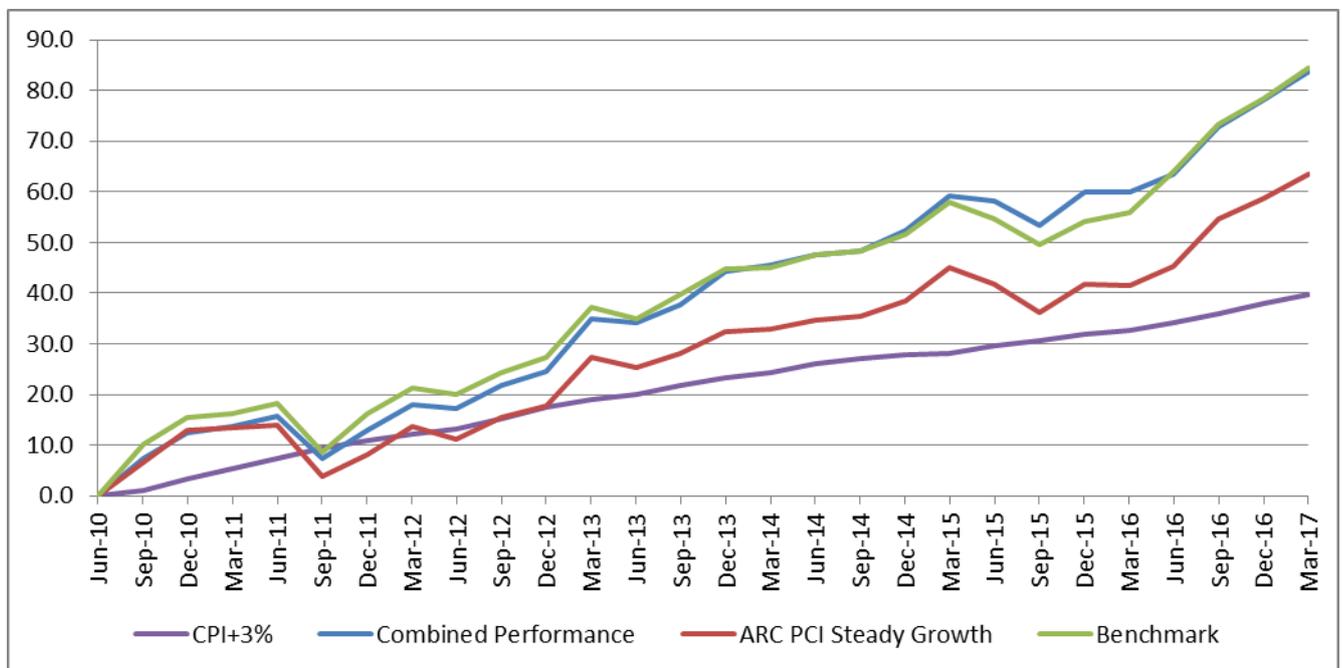
### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2017

As reported in the 2016 Annual Report, following discussions at the annual investment review and in light of economic forecasts prevailing at that time, a revised Investment Policy was approved and this took effect from 1 April 2016. The Policy includes:

- An increased income target of £750,000 for the financial year 2016/17.
- A longer term performance objective of the Consumer Price Index +3%.
- An amended composite benchmark to reflect the portfolio's current asset allocation.
- A more refined comparator index provided by Asset Risk Consultants (ARC).

The Charity is able to view portfolio values over a long time horizon and so the longer term performance objective was included in order to monitor the Policy's overall effectiveness.

The following chart shows how the Charity's combined portfolio has performed on a total return (income and capital) basis since June 2010, being the date that the investments were last moved between Investment Managers.



(Source: Cazenove Capital and CCLA)

The portfolio has performed well against the longer term indicators and is in line with the revised benchmark. The actual investment income received of £805,242 is also well above the target of £750,000 and this has been achieved without unduly increasing the portfolio's risk profile.

### 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.

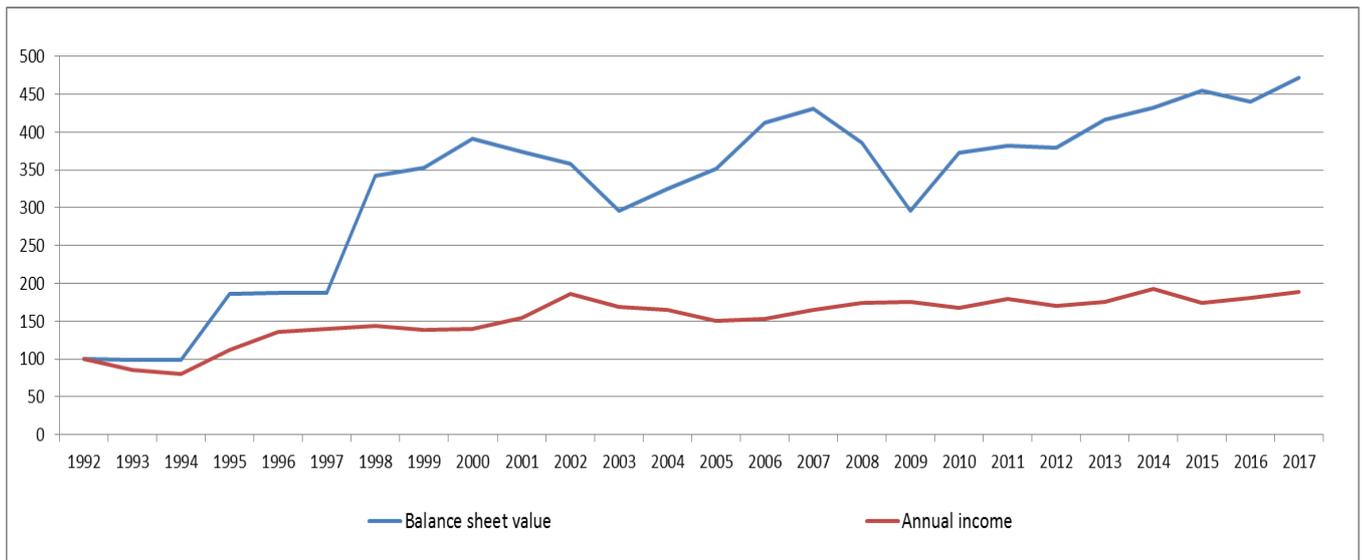
As virtually all of the Charity's income is generated from investments, the Trustees consider that the risks to both the capital and income can be managed through the diversification of these investments. The funds are therefore divided between separate Fund Managers and this method of managing the risk was upheld during the last two comprehensive reviews of the investments in 2010 and 2016. 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.

## JOHN MARTIN'S CHARITY

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2017

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 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 following chart which, using a base line of 100, shows how the income stream has been maintained in a steady manner despite fluctuations in the valuation of the Charity's balance sheet over the longer term.



In order to maintain and improve on the above strategy the portfolio is kept under 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. A smaller re-alignment in 2013/14 provided a one-off increase in income and these additional funds were then used to supplement grant expenditure in 2014/15.

Amendments to the portfolio during this year amounted to 15% of the initial valuation and the Charity also benefited from the general rise in equity values.

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. The trial was successful and the new assessments and policies were adopted thereby enabling 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.

#### 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 Reserves Policy was subject to a full review in 2014/15 and amended to cover the following two requirements:

- To allow the Charity to function for the foreseeable future. (Unrestricted Funds – General Fund)
- To release grants as they are approved. (Restricted Funds – Grant making reserve)

## JOHN MARTIN'S CHARITY

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2017

General Fund - Given the grant-making nature of the Charity, the Trustees consider that it is prudent to maintain a reserve equal to the expected governance and support costs (less depreciation) in the following year as this will enable the Charity's office to function and meet its employment obligations. This reserve stood at £132,800 as at 1 April 2016 and a transfer of £3,160 was made at the year-end in order to meet the forecast requirement of £135,960 in 2017/18.

Grant making reserve - The second requirement is to hold sufficient funds to allow the Charity to release general grants as they are approved and meet commitments for the student and heating grants during the autumn and winter periods. Although the Charity's income can be forecast, it is not received at a constant level throughout the year. It is therefore considered necessary to hold a reserve within the Restricted Income Fund of an amount equal to one quarter of the projected annual grants. This was set at £153,000 for 2016/17.

As additional income was received during the year, the balance in the Restricted Income Fund increased from £192,204 to £213,180; the reserve requirement was therefore maintained and the excess position will allow additional health related grant requests to be considered next year.

The reserve requirement has been set at £158,000 for 2017/18.

As part of the Policy review it was decided to separate the value of the functional assets from the General Fund to enable the cash reserves to be more evident within the Financial Statements.

### 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 that our own work can often be enhanced if other agencies can become involved and likewise, we are pleased to be able to support them by making joint grants. On many occasions 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.

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

The Trustees thank the Office staff for their work throughout the year and for their continued dedication to the Charity.

### 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 the income which furthers John Martin's original aims.

## JOHN MARTIN'S CHARITY

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2017

The Charity Commission approved a new Scheme on 17<sup>th</sup> March 1981 and this, together with amendments made on 28 February 1989, 17 July 1998, 19 November 1998, 8 July 1999, 13 December 2001, 13 February 2008 and 22 January 2015 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 November 2016 Reverend Andrew Spurr decided not to renew his Trusteeship after serving for two terms. In accordance with normal practice, the Board therefore advertised for two new Trustees; the other vacancy having arisen in the previous year. Following an excellent response, the Trustees were pleased to appoint Mrs Valerie Butler and Mr Stuart Allerton to the Board. The Board expressed their thanks to Reverend Spurr for his commitment to the Charity over the last 10 years and he was presented with a small gift in appreciation of his service.

In accordance with the Scheme, Co-opted Trustees must have "special knowledge of the Parish of Evesham" and as detailed above, 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 Disclosure and Barring Service checks on all Trustees and Staff.

The Board of Trustees normally meets once every three weeks 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.

Sub-Committees, usually comprising of the Chairman, Vice-Chairman and 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, which may include a home visit and then they present appropriate papers to the Board for 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 and a number of these have occurred during the year.

## JOHN MARTIN'S CHARITY

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2017

The Charity's office building is kept under review and the cost of any maintenance work is depreciated over a period of five years in order to reduce the impact on funding available for general grants.

#### Key management personnel remuneration.

The Trustees consider that the Board of Trustees and Clerk to the Trustees comprise the key management personnel. Trustees are not remunerated and give their time without cost to the Charity. Trustee expenses, which only relate to travel costs for attending training courses, and related party transactions are disclosed in note 2 to the accounts.

The level of remuneration is reviewed annually with the Board taking account of the Charity's expected income and prevailing inflation rate. The remuneration package does not have a fixed link to any indices or benchmarks.

#### REFERENCE AND ADMINISTRATIVE DETAILS

<b>Charity Number:</b>	527473	
<b>Address:</b>	16 Queen's Road Evesham Worcestershire WR11 4JN Telephone: 01386 – 765440 Fax: 01386 - 765340 E-Mail: enquiries@johnmartins.org.uk Website: www.johnmartins.org.uk	
<b>Trustees:</b>	Mr Nigel Lamb Mrs Julie Westlake Mr Stuart Allerton The Reverend Mark Binney Mrs Valerie Butler Mr Richard Emson Mrs Catherine Evans Mrs Gabrielle Falkiner Mrs Diana Raphael Mr Cyril Scorse Mrs Frances Smith Mr John Smith, OBE The Reverend Andrew Spurr Mr John Wilson	Chairman Vice Chair Appointed 9 March 2017  Appointed 9 March 2017 Re-appointed 5 April 2016  Re-appointed 23 November 2016  Resigned 22 November 2016
<b>Correspondents:</b>	Mr John Daniels Mrs Elizabeth Corbett Mrs Jan Dodwell	Clerk to the Trustees Senior Administrator Accounts Administrator
<b>Auditors:</b>	Baldwins Audit Services Limited Almswood House 93 High Street Evesham Worcestershire WR11 4DU	
<b>Bankers:</b>	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	Lloyds Bank Plc 19 High Street Evesham Worcestershire WR11 4DQ

## JOHN MARTIN'S CHARITY

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2017

<b>Property Consultants:</b>	Bruton Knowles 42 Bull Street Birmingham B4 6AF	
<b>Investment Managers:</b>	CCLA Investment Management Ltd Senator House 85 Queen Victoria Street London EC4V 4ET	Schroder & Co Ltd T/as Cazenove Capital 31 Gresham Street London EC2V 7QA
<b>Solicitors:</b>	Anthony Collins LLP 134 Edmund Street Birmingham B3 2ES	Saunders Roberts 58 Bridge Street Evesham Worcestershire WR11 4SG

### TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees are responsible for preparing a Trustees' annual report and 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 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 the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be 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 business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

This Report was approved and adopted by the Board of Trustees at the Annual General Meeting held on 22 June 2017.

Signed by  
Nigel Lamb – Trustee

Signed by  
Mrs Julie Westlake - Trustee

## **REPORT OF THE INDEPENDENT AUDITORS 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 2017 on pages fifteen to thirty. 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 an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

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

We have been appointed as auditors 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 Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 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.

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

**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 Report of the Trustees 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.

*Baldwins Audit Services Limited,*

Baldwins Audit Services Limited  
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
Almswood House  
93 High Street  
Evesham  
Worcestershire  
WR11 4DU

6 July 2017

JOHN MARTIN'S CHARITY

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2017

	Note	Unrestricted funds £	Restricted fund £	Endowment fund £	Total funds 2017 £	Total funds 2016 £
<b>INCOME AND ENDOWMENTS</b>						
<b>Donations</b>						
Gift of expendable legacy		1,452	-	-	1,452	-
<b>Investment income</b>	3	807,094	-	-	807,094	774,933
<b>Total income</b>		<u>808,546</u>	<u>-</u>	<u>-</u>	<u>808,546</u>	<u>774,933</u>
<b>EXPENDITURE</b>						
<b>Costs of raising funds</b>						
Investment management costs	4	-	-	30,492	30,492	26,629
<b>Charitable activities</b>						
Religious support	6	6,982	74,358	-	81,340	80,472
Relief in need		91,188	197,396	-	288,584	281,301
Promotion of education		35,338	332,643	-	367,981	349,058
Health		6,982	45,439	-	52,421	53,498
<b>Total expenditure</b>		<u>140,490</u>	<u>649,836</u>	<u>30,492</u>	<u>820,818</u>	<u>790,958</u>
<b>Net income(expenditure) and net movement in funds before (gains)/losses on investments</b>		668,056	(649,836)	(30,492)	(12,272)	(16,025)
<b>Net (gains)/losses on investments</b>	11	-	-	(2,344,508)	(2,344,508)	671,418
<b>Net income(expenditure)</b>		668,056	(649,836)	2,314,016	2,332,236	(687,443)
<b>Transfers between funds</b>	15	<u>(670,812)</u>	<u>670,812</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		(2,756)	20,976	2,314,016	2,332,236	(687,443)
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		<u>356,217</u>	<u>192,204</u>	<u>21,083,265</u>	<u>21,631,686</u>	<u>22,319,129</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>353,461</u>	<u>213,180</u>	<u>23,397,281</u>	<u>23,963,922</u>	<u>21,631,686</u>

The notes on pages 18 to 30 form part of these accounts.

**JOHN MARTIN'S CHARITY**

**BALANCE SHEET  
AS AT 31 MARCH 2017**

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2017 £	Total funds 2016 £
<b>FIXED ASSETS</b>						
Tangible assets	10	213,939	-	-	213,939	219,387
Investments	11	<u>-</u>	<u>-</u>	<u>23,360,195</u>	<u>23,360,195</u>	<u>20,832,079</u>
Total Fixed Assets		213,939	-	23,360,195	23,574,134	21,051,466
<b>CURRENT ASSETS</b>						
Stocks		-	177	-	177	174
Debtors	12	-	3,826	-	3,826	4,059
Cash at bank and in hand		<u>161,921</u>	<u>318,218</u>	<u>37,086</u>	<u>517,225</u>	<u>705,574</u>
Total Current Assets		161,921	322,221	37,086	521,228	709,807
<b>LIABILITIES</b>						
Creditors falling due within one year	13	<u>(10,886)</u>	<u>(109,041)</u>	-	<u>(119,927)</u>	<u>(117,305)</u>
<b>NET CURRENT ASSETS</b>		<u>151,035</u>	<u>213,180</u>	<u>37,086</u>	<u>401,301</u>	<u>592,502</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>						
		364,974	213,180	23,397,281	23,975,435	21,643,968
Creditors falling due after one year	14	<u>(11,513)</u>	-	-	<u>(11,513)</u>	<u>(12,282)</u>
<b>NET ASSETS</b>		<u><u>353,461</u></u>	<u><u>213,180</u></u>	<u><u>23,397,281</u></u>	<u><u>23,963,922</u></u>	<u><u>21,631,686</u></u>
<b>THE FUNDS OF THE CHARITY</b>						
Unrestricted funds:						
General fund		135,960	-	-	135,960	132,800
Functional assets fund		213,939	-	-	213,939	219,387
Designated		3,562	-	-	3,562	4,030
Restricted funds		-	213,180	-	213,180	192,204
Endowment fund		-	-	23,397,281	23,397,281	21,083,265
<b>TOTAL CHARITY FUNDS</b>		<u><u>353,461</u></u>	<u><u>213,180</u></u>	<u><u>23,397,281</u></u>	<u><u>23,963,922</u></u>	<u><u>21,631,686</u></u>

The notes on pages 18 to 30 form part of these accounts.

The financial statements were approved by the Board of Trustees on 22 June 2017 and were signed on its behalf by:

Mr Nigel Lamb – Trustee

Mrs Julie Westlake - Trustee

**JOHN MARTIN'S CHARITY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

	Note	Total funds 2017 £	Total funds 2016 £
<b>Net cash used in operating activities</b>	18	(811,813)	(777,177)
		_____	_____
<b>Cash flows from investing activities</b>			
Payments to acquire tangible assets		(1,474)	(10,532)
Payments to acquire investments		(3,086,912)	(3,263,410)
Receipts from sale of investments		2,903,304	3,175,560
Interest received		587	1,771
Dividends received		805,242	771,897
Donations		1,452	-
Rents received from investments		1,265	1,265
		_____	_____
<b>Net cash provided by investing activities</b>		623,464	676,551
<b>Cash flows from financing activities</b>		-	-
		_____	_____
<b>Net cash provided by financing activities</b>		-	-
		_____	_____
<b>Change in cash and cash equivalents in the year</b>		(188,349)	(100,626)
<b>Cash and cash equivalent brought forward</b>		705,574	806,200
		_____	_____
<b>Cash and cash equivalent carried forward</b>		517,225	705,574
		=====	=====
<b>Cash and Cash equivalents consists of:</b>			
Cash at bank and in hand		517,225	705,574
		=====	=====

The notes on pages 18 to 30 form part of these accounts.

# JOHN MARTIN'S CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

### 1. ACCOUNTING POLICIES

#### **Basis of preparation and assessment of going concern**

The accounts (financial statements) have been prepared under the historical cost convention, with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

#### **Fund 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 of the Charity's scheme, which defines the beneficiaries of the income therefrom.

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.

#### **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 receivable can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

#### **Expenditure recognition**

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

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to the Allocation of support and governance costs below.

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**

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

# JOHN MARTIN'S CHARITY

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 MARCH 2017

### 1. ACCOUNTING POLICIES – continued

#### Allocation of support and governance costs

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. Governance costs 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, overheads and governance costs is analysed in note 5.

#### Costs of raising funds

The costs of generating funds consist of investment management costs and certain legal fees.

#### Charitable activities

Costs of charitable activities include grants made, governance costs and an apportionment of support costs and overheads as shown in note 6.

#### Tangible fixed assets and depreciation

The Charity's freehold property was professionally valued by Roger Warrington FRICS, Chartered Surveyor, on an open market value at 9 June 2015. This valuation has been adopted as the historical cost under the transitional provisions of Financial reporting Standard 102. 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.

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

Property	2%	straight line
Building renovation costs	20%	straight line
Computer equipment	25%	straight line
Fixtures and fittings	20%	straight line

#### Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

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

The main form of market risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

#### 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

#### Taxation

The Charity is exempt from tax on its charitable activities.

# JOHN MARTIN'S CHARITY

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 MARCH 2017

### 1. ACCOUNTING POLICIES – continued

#### 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 carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised gains and losses are combined 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. There were no outstanding contributions at the year end. The costs of the defined contribution scheme are included within support and governance costs and charged to the statement of financial activities as they fall due.

The employees are members of a defined benefit scheme which is now closed to new members. See note 16 for information of this scheme.

#### Contingent liabilities

##### Grants

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

### 2. RELATED PARTY TRANSACTIONS AND TRUSTEES' EXPENSES AND REMUNERATION

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2016: £nil). The reimbursement of Trustees' expenses was as follows:

	2017	2016	2017	2016
	Number	Number	£	£
Travel	2	3	176	125
Other	1	1	50	106
	<u>3</u>	<u>4</u>	<u>226</u>	<u>231</u>

The following related party transactions occurred during the year.

The Vicar of Hampton and Bengeworth, as an ex-officio Trustee, is entitled to have his expenses of office paid in accordance with Clause 25(1) and 25(2) of the 1989 Scheme. These amounted to £6,465 (2016: £6,024) and £793 (2016: £2,255).

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 £1,120 (2016: £1,490).

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 £nil (2016: £263).

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2017

3. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	2017 Total funds £	2016 Total funds £
Rents receivable and miscellaneous income	1,265	-	-	1,265	1,265
Dividends	805,242	-	-	805,242	771,897
Interest	<u>587</u>	<u>-</u>	<u>-</u>	<u>587</u>	<u>1,771</u>
	<u>807,094</u>	<u>-</u>	<u>-</u>	<u>807,094</u>	<u>774,933</u>

In 2017, £807,094 (2016: £774,933) was attributable to unrestricted funds.

4. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds £	Restricted funds £	Endowment funds £	2017 Total funds £	2016 Total funds £
Portfolio management	<u>-</u>	<u>-</u>	<u>30,492</u>	<u>30,492</u>	<u>26,629</u>
	<u>-</u>	<u>-</u>	<u>30,492</u>	<u>30,492</u>	<u>26,629</u>

In 2017, all £30,492 (2016: £26,629) of the investment management costs were attributable to endowment funds.

5. ALLOCATION OF GOVERNANCE AND SUPPORT COSTS

The breakdown of governance and support costs and how these were allocated to charitable activities are shown in the table below:

Cost type	Governance £	Other support costs £	Totals £
Staff costs	4,835	99,301	104,136
Office costs	1,337	10,178	11,515
Premises costs	390	7,403	7,793
Advertising	405	870	1,275
Depreciation	346	6,576	6,922
Legal and professional fees	396	611	1,007
Auditors' remuneration	<u>7,842</u>	<u>-</u>	<u>7,842</u>
	<u>15,551</u>	<u>124,939</u>	<u>140,490</u>

**Governance costs:**

	Unrestricted funds £	Restricted funds £	Endowment funds £	2017 Total funds £	2016 Total funds £
Auditors' remuneration	7,842	-	-	7,842	6,988
Support costs	<u>7,709</u>	<u>-</u>	<u>-</u>	<u>7,709</u>	<u>8,027</u>
	<u>15,551</u>	<u>-</u>	<u>-</u>	<u>15,551</u>	<u>15,015</u>

**JOHN MARTIN'S CHARITY**

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2017**

**5. ALLOCATION OF GOVERNANCE AND SUPPORT COSTS continued**

**Allocation of governance and support costs:**

	2017 £	2016 £
Religious support	6,982	6,893
Relief in need	91,188	89,959
Promotion of education	35,338	34,793
Health and other charitable purposes	<u>6,982</u>	<u>6,893</u>
	<u>140,490</u>	<u>138,538</u>

In 2017 and 2016 all of the expenditure on governance and support costs of £140,490 (2016: £138,538) was from unrestricted funds.

**6. ANALYSIS OF CHARITABLE EXPENDITURE**

	Grant funding of activities (See note 7) £	Support costs (See note 5) £	Totals £
Religious support	74,358	6,982	81,340
Relief in need	197,396	91,188	288,584
Promotion of education	332,643	35,338	367,981
Health and other charitable purposes	<u>45,439</u>	<u>6,982</u>	<u>52,421</u>
	<u>649,836</u>	<u>140,490</u>	<u>790,326</u>

In 2017 the expenditure on charitable activities was £790,326 (2016: £764,329) of which £140,490 (2016: £138,538) was expenditure from unrestricted funds and £649,836 (2016: £625,791) was expenditure from restricted funds.

**7. ANALYSIS OF GRANTS**

	2017 £	2016 £
Religious support	74,358	73,579
Relief in need	197,396	191,342
Promotion of education	332,643	314,265
Health and other charitable purposes	<u>45,439</u>	<u>46,605</u>
	<u>649,836</u>	<u>625,791</u>

Analysis of grants to organisations and schools:

	2017 £	2016 £
<b>Religious support</b>		
All Saints PCC Evesham	30,500	17,800
St Andrews PCC Hampton	18,300	29,700
St Peters PCC Bengeworth	<u>18,300</u>	<u>17,800</u>
	<u>67,100</u>	<u>65,300</u>

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2017

7. ANALYSIS OF GRANTS – continued

Analysis of grants to organisations and schools:

	2017 £	2016 £
<b>Relief in need</b>		
Acquired Brain Injury Trust	-	3,600
British Wireless for the Blind Fund	(450)	1,500
Caring Hands in the Vale	-	5,000
Deaf Direct Limited	3,000	-
Evesham Methodist Church	-	12,000
Evesham Shop Mobility	5,000	6,000
Evesham Sports Club	-	1,500
Evesham Street Pastors	-	1,500
Evesham Volunteer Centre	36,000	-
Freedom	2,000	-
Garage Art Group	5,000	4,000
Hampton Scout and Guide Hall	-	9,000
Heart of England Mencap	-	5,000
Ourside Youth Association	5,000	-
Samuel Wallace Smedley Trust	-	8,000
Shine Out Of School Clubs	-	3,400
Sight Concern Worcestershire	-	5,000
South Worcestershire Citizens Advice Bureau	10,000	-
Worcester Citizens Advice Bureau and WHABAC (2017)	10,000	-
Worcester Citizens Advice Bureau and WHABAC (2016)	(2,000)	2,125
Yellow Scarf CIC	4,000	2,000
Grant<£1,500 (2 grants), (2016: 11 grants)	1,515	6,435
	<u>79,065</u>	<u>76,060</u>
<b>Promotion of Education</b>		
Battle Of Evesham 2016	-	(2,500)
Bengeworth CE Academy	4,490	3,630
Evesham College	6,350	6,420
Evesham Festival of Music	1,100	-
Evesham Festival of Words	-	1,000
Life Education Centre	3,000	-
Prince Henry's High School	12,220	11,200
St Andrew's CE School	9,100	8,900
St Egwin's CE Middle School	3,410	3,150
St Mary's Catholic Primary School	1,870	1,650
St Richard's CE First School	3,440	3,230
Swan Lane First School	3,390	3,240
The De Montfort School	8,690	8,380
Vale of Evesham School	8,170	3,160
	<u>65,230</u>	<u>51,460</u>

**JOHN MARTIN'S CHARITY**

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2017**

**7. ANALYSIS OF GRANTS– continued**

**Health & other charitable purposes**

Acorns Children's Hospice	10,000	12,000
Breast Cancer Haven	5,000	-
Corran Dean CIC	2,050	-
Hampton Flower Show	200	-
Huntingdon's Disease Association	1,000	-
Orchestra of the Swan	-	3,000
St Richards Hospice	<u>24,000</u>	<u>23,000</u>
	<u>42,250</u>	<u>38,000</u>
	<u>253,645</u>	<u>230,820</u>

Analysis of grants to individuals

	2017	2016
	£	£
Religious support	7,258	8,279
Relief in need	118,331	115,282
Promotion of education	267,413	262,805
Health and other charitable purposes	<u>3,189</u>	<u>8,605</u>
	<u>396,191</u>	<u>394,971</u>

**8. ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL**

	2017	2016
	£	£
Wages and salaries	88,591	87,984
Social security costs	6,108	7,030
Other pension costs	<u>9,437</u>	<u>8,907</u>
	<u>104,136</u>	<u>103,921</u>

The average monthly number of employees during the year was as follows:

	2017	2016
Fulltime employees	<u>3</u>	<u>3</u>

All employee time is involved in providing either support to the governance of the Charity or support services to charitable activities.

The Charity considers its key management personnel comprise the trustees and the Clerk to the Trustees. The total employment benefits including employer pension contributions of the key management personnel were £44,748 (2016: £44,469).

No employees received emoluments in excess of £60,000 (2016: nil).

**9. AUDITOR'S REMUNERATION**

The auditor's remuneration constituted an audit fee of £7,842 (2016: £6,988).

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2017

10. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>					
At 1 April 2016	210,000	111,740	55,570	27,913	405,223
Additions	-	1,474	-	-	1,474
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2017	<u>210,000</u>	<u>113,214</u>	<u>55,570</u>	<u>27,913</u>	<u>406,697</u>
<b>DEPRECIATION</b>					
At 1 April 2016	2,600	107,364	54,154	21,718	185,836
Charge for year	1,300	2,482	453	2,687	6,922
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2017	<u>3,900</u>	<u>109,846</u>	<u>54,607</u>	<u>24,405</u>	<u>192,758</u>
<b>NET BOOK VALUE</b>					
At 31 March 2017	<u>206,100</u>	<u>3,368</u>	<u>963</u>	<u>3,508</u>	<u>213,939</u>
At 31 March 2016	<u>207,400</u>	<u>4,376</u>	<u>1,416</u>	<u>6,195</u>	<u>219,387</u>

The Charity's freehold property was subject to an independent professional valuation at 9 June 2015. The valuation was undertaken by Roger Warrington FRICS, Chartered Surveyor on an open market basis. This valuation has been adopted as deemed cost on transition to SORP (FRS 102). These assets are being depreciated from 31 March 2014 and have a net book value of £206,100 (2016: £207,400). The historic cost equivalent of these assets is £200,000 (2016: £200,000).

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

11. FIXED ASSET INVESTMENTS

	2017 £	2016 £
<b>Movement in fixed asset listed investments</b>		
Market value brought forward at 1 April 2016	20,637,079	21,220,647
Additions to investments at cost	3,086,912	3,263,410
Disposals at carrying value	(2,903,304)	(3,175,560)
Realised losses	(44,947)	(166,099)
Net unrealised investment gains	<u>2,389,455</u>	<u>(505,319)</u>
	<u>23,165,195</u>	<u>20,637,079</u>

Net cash released from investments in the year was £623,486 (2016: £687,083)  
75% (2016: 76%) of the above investments were held in the UK.

	2017 £	2016 £
Equities and fixed interest securities	23,165,195	20,637,079
Other investments	<u>195,000</u>	<u>195,000</u>
	<u>23,360,195</u>	<u>20,832,079</u>

**JOHN MARTIN'S CHARITY**

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2017**

**11. FIXED ASSET INVESTMENTS – continued**

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

Holding	Fund	2017	2016
		£	£
3,316,144	Cazenove Equity Income Trust for Charities	3,152,658	3,203,460
513,411	COIF Charities Investment Fund Income Units	7,172,762	6,228,035
1,267,093	COIF Charities Property Fund Income Units	1,433,716	1,474,896
817,794	Majedie Asset UK Income Fund	1,275,268	1,206,164
1,428,815	Trojan Income Fund	2,811,051	3,169,629
40,041	Vanguard S & P 500 UCITS ETF	1,437,672	

All investments are carried at fair value. Investments in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investments companies are at bid price. The basis of fair value for quoted investments is equivalent to the market value, using bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value). The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

Investments (neither listed nor unlisted) were as follows:

	2017	2016
	£	£
17.76 acres of land held for investment purposes	<u>195,000</u>	<u>195,000</u>

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 15 to the financial statements.

**12. ANALYSIS OF CURRENT ASSETS**

	2017	2016
	£	£
Prepayments and accrued income	3,826	4,059
Cash at bank	<u>517,225</u>	<u>705,574</u>
Total	<u>521,051</u>	<u>709,633</u>

All prepayments related to restricted funds in both 2017 and 2016.

Cash and bank balances were as follows: unrestricted funds £161,921 (2016: £159,779), restricted funds £318,218 (2016: £294,609) and endowment funds £37,086 (2016: £251,186).

**13. ANALYSIS OF CURRENT LIABILITIES**

	2017	2016
	£	£
Grants payable (restricted)	109,041	106,638
Sundry creditors and accruals	<u>10,886</u>	<u>10,667</u>
Total	<u>119,927</u>	<u>117,305</u>

Creditors were as follows: unrestricted funds £10,886 (2016: £10,667), restricted funds £109,041 (2016: £106,638).

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2017

14. ANALYSIS OF CREDITORS FALLING DUE AFTER ONE YEAR

	2017 £	2016 £
Pension provision	<u>11,513</u>	<u>12,282</u>
Total	<u>11,513</u>	<u>12,282</u>

All creditors falling due after one year related to unrestricted funds both in 2017 and 2016.

15. ANALYSIS OF CHARITABLE FUNDS

	At 1.4.16 £	Net movement in funds £	Transfers between funds £	At 31.3.17 £
<b>Unrestricted funds</b>				
General fund	132,800	668,056	(664,896)	135,960
Functional assets fund	219,387	-	(5,448)	213,939
Designated training provision	<u>4,030</u>	<u>-</u>	<u>(468)</u>	<u>3,562</u>
	356,217	668,056	(670,812)	353,461
<b>Restricted funds</b>				
Restricted fund	192,204	(649,836)	670,812	213,180
<b>Endowment funds</b>				
Endowment fund	21,083,265	2,314,016	-	23,397,281
<b>TOTAL FUNDS</b>	<u>21,631,686</u>	<u>2,332,236</u>	<u>-</u>	<u>23,963,922</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	808,546	(140,490)	-	668,056
Designated training provision	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	808,546	(140,490)	-	668,056
<b>Restricted funds</b>				
Restricted fund	-	(649,836)	-	(649,836)
<b>Endowment funds</b>				
Endowment fund	-	(30,492)	2,344,508	2,314,016
<b>TOTAL FUNDS</b>	<u>808,546</u>	<u>(820,818)</u>	<u>2,344,508</u>	<u>2,332,236</u>

## JOHN MARTIN'S CHARITY

### NOTES TO THE FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 MARCH 2017

#### 15. MOVEMENT IN FUNDS – continued

##### Transfers between funds

In accordance with the Charity Scheme, £468 (2016: £1,170) was utilised from the unrestricted designated training provision fund during the year for staff and trustee training. The functional assets fund was decreased by £5,448 (2016: increased by £2,568), in line with the current value of the assets stated in the Balance Sheet at 31 March 2017. £3,160 (2016: £2,600) has been retained in the unrestricted general fund to maintain the minimum target level set in the Reserves Policy.

##### 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 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 the Statement of Recommended Practice, Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014.

The Trustees, with the approval of the Charity 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 within the restricted fund, which can only be distributed as grants in future years.

##### Unrestricted funds

##### General Fund

The general fund balance represents surplus income brought forward from the period prior to the adoption of the 1989 Scheme together with income arising from the permanent endowment fund which is available to be spent at the Trustees' discretion. The Policy is to maintain the fund at 100% of forecast annual governance and support costs (less depreciation) as this will assist cash flow and enable the charity to operate and meet its obligations on a day to day basis. Funds held in excess of this requirement are transferred to the restricted fund.

##### Functional assets fund

The functional assets fund represents the tangible fixed assets detailed in note 10.

##### 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.

**JOHN MARTIN'S CHARITY**

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2017**

**16. PENSION COMMITMENTS**

**SCHEME: The Pensions Trust – The Growth Plan**

The Charity participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the Charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit contributions**

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities and the Charity's deficit contributions amounted to £1,398 (2016: £1,886) in the financial year.

Where the scheme is in deficit and where the charity has agreed to a deficit funding arrangement the charity recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

**Present values of provision**

	2017 £	2016 £	2015 £
Present value of provision	12,953	13,680	15,637

**Reconciliation of opening and closing provisions**

	2017 £	2016 £
Provision at start of period	13,680	15,637
Unwinding of the discount factor (interest expense)	268	256
Deficit contribution paid	(1,398)	(1,886)
Actuarial remeasurements - change in assumptions	403	(214)
Actuarial remeasurements - amendments to the contribution schedule	-	(113)
Provision at end of period	<u>12,953</u>	<u>13,680</u>

**JOHN MARTIN'S CHARITY**

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2017**

**16. PENSION COMMITMENTS continued**

**Income and expenditure impact**

	2017	2016
	£	£
Interest expense	268	256
Actuarial remeasurements – change in assumptions	403	(214)
Actuarial remeasurements – amendments to the contribution schedule	-	(113)
Pension contributions	9,034	8,978
Contributions recognised in the statement of financial activities (note 8)	9,705	8,907

**Assumptions**

	2017 % per annum	2016 % per annum	2015 % per annum
Rate of discount	1.32	2.07	1.74

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The Charity recognises a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement.

**17. CONTINGENT LIABILITIES**

During the year a grant of £15,000 payable over three years was approved for the Outside Youth Association. £5,000 has been accounted for during this financial year and the remaining £10,000 will be taken from the Charity's future income as payments are subject to the satisfactory completion of the agreed terms and conditions. No provision has been included in the figures for the year ended 31 March 2017 (2016: £nil).

**18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2017	2016
	£	£
Net movements in funds	2,332,236	(687,443)
Donations	(1,452)	-
Dividends received	(805,242)	(771,897)
Rents receivable from investments	(1,265)	(1,265)
Interest receivable	(587)	(1,771)
Depreciation of tangible fixed assets	6,922	7,964
(Gains) / losses on investments	(2,344,508)	671,418
Increase in stock	(3)	(12)
Decrease / (increase) in debtors	233	(999)
Increase in creditors	1,853	6,828
Net cash used in operating activities	(811,813)	(777,177)