

JOHN MARTIN'S CHARITY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH 2011

Registered Charity Number 527473

Contents	Page
Reference and administrative details	1
Structure, governance and management	2
Aims, objectives and activities for public benefit	4
Achievements and performance	6
Financial review	8
Plans for the future	10
Statement of Trustee's Responsibilities	11
Auditors' report	12
Statement of financial activities	14
Balance Sheet	15
Notes to the financial statements	16

JOHN MARTIN'S CHARITY

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name:	John Martin's Charity	
Charity Number:	527473	
Address:	16 Queens Road Evesham Worcestershire, WR11 4JN	
	Telephone:	01386 – 765440
	Fax:	01386 - 765340
	E-Mail:	enquiries@johnmartins.org.uk
	Web site:	www.johnmartins.org.uk
Trustees:	Mr Nigel Lamb	Chairman
	Mrs Julie Westlake	Vice Chairman
	The Reverend Mark Binney	
	The Reverend Barry Collins	
	Mr Richard Emson	
	Mrs Catherine Evans	
	Mrs Gabrielle Falkiner	
	Mrs Diana Raphael	
	Mrs Jo Sandalls	(Term of Office commenced 19 May 2011)
	Mr Cyril Scorse	
	Mrs Frances Smith	(Term of Office ended 18 May 2011)
	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:	Clement Rabjohns Limited 111 - 113 High Street Evesham Worcestershire WR11 4XP	
Bankers:	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	Lloyds T S B Bank Plc 19 High Street Evesham Worcestershire WR11 4DQ
Property Consultants:	Bruton Knowles 42 Bull Street Birmingham B4 6AF	

Investment Managers:	CCLA Investment Management Ltd COIF Charities Investment Fund 80 Cheapside London EC2V 6DZ	Cazenove Capital Fund Management Ltd 12, Moorgate London EC2R 6DA
	Charities Aid Foundation Kings Hill West Malling Kent ME19 4TA	
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 2011

The Trustees present their annual report and financial statements of the Charity for the year ended 31st March 2011. 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 2006, 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 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.

Following the year end, Evesham Town Council amended their nominations and the Trustees were pleased to welcome Councillor Mrs Jo Sandalls to the Board with effect from 19 May 2011. The Board also wish to express their thanks to Councillor Mrs Frances Smith for her commitment to the Charity during her time as a Trustee over the last eight years.

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 also 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.

Sub-Committees usually comprising of the Chairman, Vice-Chairman and one to three other Trustees meet at various times in the year to discuss and make recommendations to the full Board. The Sub-Committees review specific items such as the annual budget, educational and heating grant levels, salary structures and any other items that the Board see fit to specify.

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 ultimate consideration of assistance. 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 requirements, 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 were subject to a full survey in October 2004 and the Trustees agreed to act upon the recommendations contained in the Report. The remedial works had the benefit of preventing deterioration to the building, reducing the ongoing maintenance costs and also brought the building into line with current legislation.

The main works were completed in 2007/8 and the costs were largely capitalised. The final underpinning work was completed this year and these costs are also being depreciated over a term of five years as this method will enable the Trustees to reduce their impact on the funding available for grants.

Risk Management

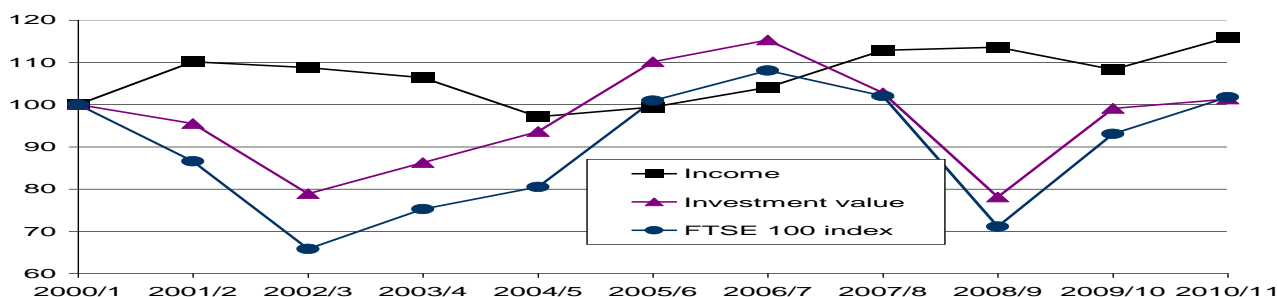
The Trustees have considered the major strategic, business and operational risks relevant to the Charity and have set out a Policy to manage those risks.

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 those 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 but increasing level of income is their main priority in order to ensure that grant programs 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 maintained despite the fluctuations in the Charity's investment portfolio. The FTSE 100 index is shown for comparison purposes.



In order to maintain and improve on the above strategy, following the 2010 review, one third of the investment portfolio was transferred into new investments.

Operational risk procedures and grant policies are also reviewed on a regular basis and following a comprehensive review in early 2011, updated grant assessment procedures are now being adopted for a trial period. The aim is to ensure that the combined needs of applicants and the Charity continue to be met in light of the current economic situation.

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 2006.

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 and 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.

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 11%.

Other activities currently detailed include the provision of items and services calculated to reduce need, hardship or distress, either directly to individuals or to other organisations that will provide them. 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 or 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 grant applications through a variety of methods including; public notices, advertisements, leaflets, 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 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.

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 also help the Trustees target assistance at those 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. 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. The amounts are detailed in the attached financial statements.

Relief in need

The Charity approved 1,055 (2009/10 – 1,248) applications from individuals, distributing a total of £133,464 (£141,871). These applications were financially assessed in accordance with the Charity's guidelines.

The grants took a variety of forms, for example; 46 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, 9 utility bills were reduced or cleared to ease pressure on household budgets and 11 disability aids were purchased.

Part of the funding under this Clause was to assist with the purchase of school uniforms and 142 (177) pupils at various schools were awarded grants totalling £13,990 (£14,797). 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 objective, 'emergency grants' were awarded to applicants who, due to a variety of circumstances, were considered to have an immediate need. Emergency grants totalling £12,392 (£14,956) to 269 (357) applicants were issued and those grants normally consisted of food vouchers together with a small amount of cash. The number of emergency requests rose sharply in 2008/9 but has reduced during the last two financial years. 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 with a limited income; each successful applicant received a grant of £110. Trustees gave a smaller allowance to applicants who were resident in grouped homes where heat and light was provided within an overall service charge. 468 (526) applicants were assisted at a cost of £65,706 (£68,824) and this amount includes the provision of a summer trip and the pantomime outing.

Applicants who qualified for the Heating Award were invited on two trips. In the summer the Trustees were hosts to 340 guests at Weston-super-Mare and in the winter, to 335 guests at a pantomime in Wolverhampton. Fortunately the severe winter weather which forced the cancellation of four pantomime trips in the previous year did not re-occur. 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 charity shops 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 30 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 £95,290 (£52,315) was awarded to 18 (18) groups. Grants in excess of £1,500 are detailed in the financial accounts. In order to be considered, groups applying for assistance must provide benefit to local residents and fall within the aims and objectives of the Charity. Therefore, whilst grants to organisations can be a very efficient means of assisting a large number of people, especially in the current economic climate, regrettably some groups cannot be assisted as they fail to meet the required criteria.

The above amount includes a £33,000 grant awarded to the Evesham Volunteer Centre, the payment of which will be spread over a three year period. This will allow them to run a project to promote pensioners independence by assisting them to remain in their own homes. The final £20,000 of a £60,000 grant allocated to Wychavon Citizens Advice Bureau 2 years ago is also included for their Welfare Rights Caseworker project. This three year project has enabled CAB clients living throughout the larger John Martin's Charity beneficial area, particularly those suffering from social exclusion or vulnerability through ill health, to obtain longer term specialist welfare advice. 195 clients have been assisted during the last twelve months and the Trustees are pleased to have been associated with this worthwhile CAB scheme.

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 grant expenditure is allocated to educational awards for schools, colleges and individual students. The local schools and college received grants totalling £49,750 (£52,646) to support special needs education. St Andrew's Church of England First School in Hampton receives an enhanced payment each year as it is specifically detailed within the Scheme that governs the Charity.

Trustees review the level of grant payable to qualifying students on an annual basis. This year, due to a small fall in applicant numbers, the Trustees were pleased to increase the full grant from £863 to £884. 220 students received this full amount; the remainder were awarded lower amounts dependent upon their course and individual circumstances. Overall, 347 (353) students received academic awards totalling £219,632 (£226,859).

The Trustees made 50 (57) Miscellaneous Education Awards for music, arts, sports, educational visits and club activities at a cost of £4,600 (£6,015). Although the criteria for these applications were relaxed a few years ago in order to increase the grant's availability, application numbers fell slightly during the year.

Under their general Education Policy, 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 12 students were awarded grants for this purpose.

Grants to the Evesham Youth Music Festival and a project providing health education to local Primary and Middle School children were also made under this category.

Health

Although the Trustees set a prudent budget each year, based upon the experience of previous applications and the current objectives, this occasionally results in surplus funds arising. These funds then become available to support the Trustees health objective. Whilst funding for health related issues for Evesham residents is included under "Relief in need", a further £5,819 (£10,247) was expended on grants to 20 (21) applicants who lived in the wider beneficial area. £18,000 was also granted to St Richard's Hospice to help with their local work.

General matters

Across all of the objectives, a total of 173 (152) applications were either withdrawn prior to consideration at a Trustees Meeting or were rejected for 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 £766,267 (£715,960) being a rise of 7.03% 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 throughout the year by comparing their performance to agreed benchmarks. This is done via quarterly reports from the respective Fund Managers, periodic meetings and an annual review of the overall investment policy. As the Charity invests its funds in similar ways to other endowed Charities, a comparative benchmark is also provided by the WM Company Charity Fund Index. This Index is a guide to the expected rates of return for a typical UK Charity Fund.

The combined portfolio produced a total return (capital and income) for the year of 6.59% against the Index of 8.1%, being a shortfall of 1.51%. A separate income target of £700,000 was however exceeded by £66,000.

This performance is an improvement over the previous year when a shortfall against the Index of 3% was reported. The level of performance prompted the Board's decision in April 2010 to sell the funds held at the Charities Aid Foundation and re-invest them in a separate portfolio managed via Cazenove. Whilst an expected capital loss occurred on the transfer, it was considered that an overall improvement in the new fund's performance would outweigh this initial cost. Full discussions were held with the Charity's advisors at Cazenove prior to the transfer and alternative projections were also obtained from CCLA as part of the review.

In the current economic climate, the Trustees intend to increase the focus on income generation to ensure that the value of the Charity's income does not fall in real terms. The Trustees also continued to take a long term view in respect of the capital value of the investments, in line with the risk management policy and acknowledge that these values will rise and fall over short time periods. Their views are supported by a consensus of regular reports received from the Investment Managers.

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 ongoing 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 2011, the free reserves in unrestricted general funds stood at £108,875 (£117,868) against this Policy requirement of £115,360 (£113,134).

The second requirement is to have 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 is received quarterly, a targeted amount equal to one quarter of the expected level of annual grants made is considered necessary in the Restricted Reserve. This was set at £150,000 for 2010/11.

The Charity received fewer applications than expected despite making some significant grants to local organisations. This, combined with the increased income following the changes made to the investment portfolio, caused the Restricted Reserve to increase by £34,000 to £251,000. As this is in excess of the amount required by the Policy detailed above, the Trustees have decided to allocate part of these additional funds to support the Charity's health objectives in 2011/12 and provide additional support to the education budget.

For 2011/12 the Restricted Reserve has been targeted at £160,000 based on the expected level of grants.

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 the support and governance costs, the annual plan is to distribute the whole of 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 whom 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 is keen 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 changes are also being seen in the types of grant being requested. Following a comprehensive review, it was decided to adjust some grant making Policies to see whether a greater range of applicants could be assisted and these will apply for a trial period during 2011.

Enquiries to the Charity are always welcomed and Trustees are happy 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 and continued dedication to the Charity throughout the year.

This Report was approved and adopted by the Board of Trustees at the Annual General Meeting held on 28th July 2011.

.....
Trustee

.....
Trustee

JOHN MARTIN'S CHARITY

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 1993 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.

JOHN MARTIN'S CHARITY

INDEPENDENT AUDITORS' 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 2011 which comprises 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 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page 11 the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves 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; and 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 2011 and of its incoming resources and application of resources, for the year then ended; and
- 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 1993

JOHN MARTIN'S CHARITY

INDEPENDENT AUDITORS' REPORT 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 1993 requires us to report to you if, in our opinion:

- the information given by 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.



**P R Parsons
Senior Statutory Auditor
for and on behalf of
Clement Rabjohns Limited
Statutory Auditor**

**111/113 High Street
Evesham
Worcestershire
WR11 4XP**

Date: 28 July 2011

JOHN MARTIN'S CHARITY
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2011

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total Funds 2011 £	2010 £
Incoming Resources						
<i>Incoming resources from generated funds:</i>						
Investment income	3	766,267	-	-	766,267	715,960
Total incoming resource		<u>766,267</u>	<u>-</u>	<u>-</u>	<u>766,267</u>	<u>715,960</u>
Resources expended						
<i>Costs of generating funds</i>						
Professional fees		-	-	4,583	4,583	-
Investment management fees		-	-	10,176	10,176	-
<i>Charitable activities:</i>						
Religious support	4	-	81,122	-	81,122	83,302
Relief in need	4	-	300,967	-	300,967	267,155
Promotion of education	4	-	308,962	-	308,962	315,240
Health	4	-	29,355	-	29,355	34,343
<i>Governance costs</i>	7	10,538	-	-	10,538	10,353
Total resources expended		<u>10,538</u>	<u>720,406</u>	<u>14,759</u>	<u>745,703</u>	<u>710,393</u>
Net incoming / (outgoing) resources before transfers		755,729	(720,406)	(14,759)	20,564	5,567
Transfers between funds		(754,729)	754,729	-	-	-
Realised gains on investments						-
Realised losses on investments		-	-	(514,284)	(514,284)	-
Unrealised (losses)/gains on investments	11	-	-	928,455	928,455	3,764,018
Net movement in funds		1,000	34,323	399,412	434,735	3,769,585
Reconciliation of funds:						
Fund balances at 31.03.10	15	328,510	217,040	17,775,902	18,321,452	14,551,867
Fund balances at 31.03.11	15	<u>329,510</u>	<u>251,363</u>	<u>18,175,314</u>	<u>18,756,187</u>	<u>18,321,452</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 of the above amounts relate to continuing activities.

JOHN MARTIN'S CHARITY

BALANCE SHEET

for the year ended 31 March 2011

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total Funds 2011 £	2010 £
Fixed assets:						
Tangible fixed assets	10	213,435	-	-	213,435	204,442
Investments	11	-	-	18,181,589	18,181,589	17,775,902
		213,435	-	18,181,589	18,395,024	17,980,344
Current assets:						
Stock		-	342	-	342	420
Debtors	12	-	699	-	699	656
Vouchers held		-	1,310	-	1,310	1,075
Short term deposits		105,357	325,325	-	430,682	392,783
Cash at bank and in hand		18,093	-	(6,275)	11,818	10,488
		123,450	327,676	(6,275)	444,851	405,422
Liabilities:						
Creditors falling due within one year	13	(7,375)	(76,313)	-	(83,688)	(64,314)
Net current assets		116,075	251,363	(6,275)	361,163	341,108
Total net assets		<u>329,510</u>	<u>251,363</u>	<u>18,175,314</u>	<u>18,756,187</u>	<u>18,321,452</u>
Funds of the Charity:						
Endowment		-	-	18,175,314	18,175,314	17,775,902
Restricted		-	251,363	-	251,363	217,040
Unrestricted – designated		7,200	-	-	7,200	6,200
Unrestricted – general		322,310	-	-	322,310	322,310
Total Charity funds	15	<u>329,510</u>	<u>251,363</u>	<u>18,175,314</u>	<u>18,756,187</u>	<u>18,321,452</u>

The notes on pages 16 to 28 form part of these financial statements.

Approved by the Board of Trustees on 28 July 2011 and signed on its behalf by :

Nigel Lamb, Trustee

Mrs Julie Westlake, Trustee

JOHN MARTIN'S CHARITY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

1 Principal accounting policies

(a) 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 1993.

(b) 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 of 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.

(c) 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.

(d) 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.

(e) Tangible fixed assets and depreciation

The Charity's freehold property was professionally revalued by Gusterson Palmer, Chartered Surveyors, on an open market basis at 25 March 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 the 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 are 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.

JOHN MARTIN'S CHARITY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

1 Principal accounting policies (continued)

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

(f) **Current assets – non cash**

Stock - A quantity of cookers, tents and sleeping bags were purchased during the year and undistributed at 31 March 2011. 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.

(g) **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.

(h) **Charitable activities**

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

(i) **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.

(j) **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.

(k) **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 not separated in the Statement of Financial Activities.

(l) **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.

JOHN MARTIN'S CHARITY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

1 Principal accounting policies (continued)

(m) Contingent liabilities and provisions

Grants - In accordance with the SORP, a contingent liability is disclosed for those grants, which do not represent liabilities, where the 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 that 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.

2 Trustees' remuneration and related party transactions

Trustees received no emoluments (2011 £Nil) nor expenses in the year (2010 £Nil).

The following related party transactions occurred during the year:

- (a) 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 £6,840 (2010: £6,995) and £6,048 (2010: £6,325).
- (b) Mrs Diana Scorse, the wife of co-optative Trustee, Mr Cyril Scorse, receives fees as an organist at St Andrew's Church, Hampton and at St Peter's Church, Bengeworth also. These fees are refunded to the Parochial Church Council under Clause 25(3) of the 1989 Scheme and total £1,295 (2010: £2,035) for St Andrew's Church, Hampton.
- (c) The son of Trustee Cathy Evans received a Category A education grant amounting to £442 (2010 £432), 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.
- (d) The daughters of employee Mrs J Dodwell each received an amount of £115 (2010 £110 each) in accordance with the Award Scheme operated by the Charity.

JOHN MARTIN'S CHARITY
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

3	Investment income	Unrestricted	Restricted	Endowment	Total Funds	
		funds	funds	funds	2011	2010
		£	£	£	£	£
	COIF deposit account	737	-	-	737	965
	COIF investment fund shares	226,395	-	-	226,395	219,825
	COIF fixed interest shares	31,050	-	-	31,050	31,050
	COIF property fund shares	58,205	-	-	58,205	57,052
	CAF growth fund	93,488	-	-	93,488	165,310
	CAF income fund	15,736	-	-	15,736	65,197
	CAF deposit account interest	283	-	-	283	250
	CAF current account interest	50	-	-	50	47
	Cazenove Growth trust for charities	58,168	-	-	58,168	57,507
	Cazenove Income trust for charities	42,113	-	-	42,113	42,113
	Cazenove Equity Inc Trust for Charities	68,770	-	-	68,770	74,520
	Cazenove deposit account interest	965	-	-	965	637
	Banco Santander dividend income	289	-	-	289	395
	Trojan Income Fund	54,426	-	-	54,426	-
	Neptune Investment Managed Income Fund	53,885	-	-	53,885	-
	PSIGMA Income Fund	21,320	-	-	21,320	-
	Veritas Asset Management Global Equity Fund	19,829	-	-	19,829	-
	M & G Optional Income Fund	14,092	-	-	14,092	-
	Ruffer Total Return Fund	4,977	-	-	4,977	-
	Net rental income	867	-	-	867	867
	Miscellaneous	622	-	-	622	225
		<u>766,267</u>	<u>-</u>	<u>-</u>	<u>766,267</u>	<u>715,960</u>

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 2011	Total 2010
	£	£	£	£
Religious support	75,588	5,534	81,122	83,302
Relief in need	228,754	72,213	300,967	267,155
Promotion of education	281,031	27,931	308,962	315,240
Health	23,819	5,536	29,355	34,343
	<u>609,192</u>	<u>111,214</u>	<u>720,406</u>	<u>700,040</u>
	(Note 5)	(Note 6)		

JOHN MARTIN'S CHARITY
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

5 Analysis of grants

	Grants to Organisations and schools £	Grants to individuals £	Total 2011 £	Total 2010 £
Religious support	62,700	12,888	75,588	77,708
Relief in need	95,290	133,464	228,754	194,186
Promotion of education	56,891	224,140	281,031	287,020
Health	18,000	5,819	23,819	28,749
	<u>232,881</u>	<u>376,311</u>	<u>609,192</u>	<u>587,663</u>

Analysis of grants to organisations and schools:

	2011 £	2010 £
<u>Religious support</u>		
St Andrews PCC Hampton	17,100	29,267
St Peters PCC Bengeworth	17,100	17,560
All Saints PCC Evesham	28,500	17,560
	<u>62,700</u>	<u>64,387</u>

Relief in need

Acquired Aphasia Trust	-	14,000
Evesham Methodist Church	2,500	-
Evesham Adventure Playground	10,000	-
Evesham Volunteer Centre	33,000	-
Evesham & Pershore Mind	12,000	7,500
Evesham Shop Mobility	5,000	3,000
Noah's Ark Trust	3,700	2,500
Wychavon Citizens Advice Bureau	22,000	20,000
Grants < £1,500 (11 grants), (2010:11 grants)	7,090	5,315
	<u>95,290</u>	<u>52,315</u>

Promotion of education

Hampton First School	8,550	8,770
Bengeworth First School	2,625	2,724
St Mary's Primary School	1,380	1,319
St Richard's First School	2,588	2,794
Swan Lane First School	2,400	2,336
Simon de Montfort Middle School	2,481	2,933
St Egwin's Middle School	2,654	2,754
Evesham High School	7,437	7,899
Prince Henry's High School	11,201	10,599
South Worcestershire College	6,035	6,093
Vale of Evesham Special School	2,400	4,425
Youth Music Festival	500	500
Evesham Rowing Club	-	1,000
Life Education Centre	4,270	-
Evesham Festival of Music	2,370	-
	<u>56,891</u>	<u>54,146</u>

JOHN MARTIN'S CHARITY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

<u>Health</u>		
Breast Cancer Haven	-	200
St Richard's Hospice	18,000	18,000
Vitalise	-	302
	<u>18,000</u>	<u>18,502</u>
	<u>232,881</u>	<u>189,350</u>

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 2011	Total 2010
	£	£	£	£
Staff costs	4,330	89,662	93,992	92,609
Office costs	406	7,700	8,106	7,351
Premises costs	358	6,806	7,164	7,820
Advertising	-	509	509	504
Depreciation and loss on disposal of assets	320	6,072	6,392	9,596
Legal and professional fees	24	465	489	-
	<u>5,438</u>	<u>111,214</u>	<u>116,652</u>	<u>117,880</u>
	(Note 7)			

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

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

	2011	2010
	£	£
Religious support	5,534	5,594
Relief in need	72,213	72,969
Promotion of education	27,931	28,220
Health	5,536	5,594
Total allocated to charitable activities	<u>111,214</u>	<u>112,377</u>

7 Analysis of governance costs - unrestricted

	2011	2010
	£	£
Staff costs	4,330	4,264
Office costs	406	368
Premises costs	358	391
Depreciation and loss on disposal of assets	320	480
Professional fees	24	-
<i>From Note 6:</i>	<u>5,438</u>	<u>5,503</u>
Legal and professional fees	-	-
Audit and accountancy fees	5,100	4,850
	<u>10,538</u>	<u>10,353</u>

JOHN MARTIN'S CHARITY
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

8 Staff costs

	2011	2010
	£	£
Wages and salaries	79,671	78,484
Social security costs	7,963	7,862
Pension costs-defined contribution scheme	6,358	6,263
	<u>93,992</u>	<u>92,609</u>

The average number of full time equivalent employees during the year was 3 (2010: 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 (2010: Nil).

9 Auditors' remuneration

The Auditors' remuneration constituted an audit fee of £4,250 plus VAT (2010 £4,850 plus VAT).

10 Tangible fixed assets

	Freehold Property	Renovations	Computer equipment	Fixtures & fittings	Total
	£	£	£	£	£
Cost or valuation					
At 1 April 2010	200,000	87,923	34,826	49,535	372,284
Additions	-	12,879	734	1,772	15,385
Disposals	-	-	-	-	-
At 31 March 2011	200,000	100,802	35,560	51,307	387,669
Depreciation					
At 1 April 2010	-	85,826	32,554	49,462	167,842
Charge for year	-	4,673	1,292	427	6,392
At 31 March 2011	-	90,499	33,846	49,889	174,234
Net book value					
At 31 March 2011	200,000	10,303	1,714	1,418	213,435
At 31 March 2010	200,000	2,097	2,272	73	204,442

The Charity's freehold property was professionally revalued by Gusterson Palmer, Chartered Surveyors on an open market basis at 25 March 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 FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

11 Fixed asset investments

	2011	2010
	£	£
Quoted investments		
Market value 1 April 2010	17,759,902	13,995,884
Additions to investments at cost	5,394,591	-
Disposals at carrying value	(5,830,950)	-
Movement in cash element of portfolio	(86,409)	-
Net unrealised investment gains	<u>928,455</u>	<u>3,764,018</u>
Market value 31 March 2011	<u><u>18,165,589</u></u>	<u><u>17,759,902</u></u>
Historical cost at 31 March 2011	<u><u>14,219,084</u></u>	<u><u>12,430,855</u></u>
Other investments		
17.76 acres of agricultural land held for investment purposes	<u>16,000</u>	<u>16,000</u>
Market value 31 March 2011	<u><u>16,000</u></u>	<u><u>16,000</u></u>

The investment land was professionally valued by Gusterson Palmer, Chartered Surveyors on 25 March 1998. The land was permanently endowed to the Charity, as detailed in note 15 to the financial statements.

Total investments	<u><u>18,181,589</u></u>	<u><u>17,775,902</u></u>
--------------------------	--------------------------	--------------------------

All of the above investments are held within the UK.

Holding	Fund	2011	2010
		£	£
509,324	COIF Charities Investment Fund Income Units	5,167,403	5,066,964
431,251	COIF Charities Fixed Interest Fund Income Units	538,935	549,802
768,888	COIF Charities Property Fund Income Units	795,262	780,115
3,130,869	CAF Growth Fund Units	-	4,290,856
2,527,021	CAF Income Fund Units	-	1,540,093
9,328	Cazenove Absolute Return Trust for Charities	1,476,885	1,469,889
1,322,000	Cazenove Growth Trust for Charities	1,717,807	1,604,644
1,332,700	Cazenove Income Trust for Charities	782,561	786,160
2,300,000	Cazenove Equity Income Trust for Charities	1,668,420	1,577,340
975,000	Trojan Income Fund	1,227,135	-
800,000	Neptune Investment Management Income Fund	1,261,600	-
1,640,000	PSIGMA Income Fund	1,229,836	-
4,700	Veritas Asset Management Global Equity Fund	683,286	-
625,000	M & G Optimal Income Fund	767,687	-
173,000	Ruffer Total Return Fund	424,248	-
3,992	CG Portfolio Capital Value Fund	418,277	-
875	Banco Santander shares	6,247	7,630
Various	Cazenove and Co. – cash on deposit – endowment	-	86,409
		<u><u>18,165,589</u></u>	<u><u>17,759,902</u></u>

JOHN MARTIN'S CHARITY
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

12	Debtors	2011	2010
		£	£
	Prepayments	699	656
		<hr/>	<hr/>
13	Creditors: falling due within one year	2011	2010
		£	£
	Grants payable (restricted)	76,313	59,320
	Sundry creditors (unrestricted)	7,375	4,994
		<hr/>	<hr/>
		<u>83,688</u>	<u>64,314</u>

14 **Contingent liability**

Pension obligations

John Martin's Charity participates in the Pensions Trust's Growth Plan. The Plan is funded and is not contracted out of the state scheme. The Growth Plan is a multi-employer pension Plan.

Contributions paid into the Growth Plan up to and including September 2001 were converted to defined amounts of pension payable from normal retirement date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Growth Plan or by the purchase of an annuity.

The rules of the Growth Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The Trustee commissions an actuarial valuation of the Growth Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels.

Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Growth Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a Pension Scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Growth Plan state that the proportion of obligatory contributions to be borne by the Member and the Member's Employer shall be determined by agreement between them. Such agreement shall require the Employer to pay part of such contributions and may provide that the Employer shall pay the whole of them.

JOHN MARTIN'S CHARITY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

14 Contingent liability continued

John Martin's Charity paid contributions at the rate of 8% during the accounting period. Members paid contributions at the rate of 2% during the accounting period.

As at the balance sheet date, there were three active members of the Plan employed by John Martin's Charity. John Martin's Charity continues to offer membership of the Plan to its employees.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme where the Plan assets are co-mingled for investment purposes, and benefits are paid from the total Plan assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The valuation results at 30 September 2008 have now been completed and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £742 million and the Plan's Technical Provisions (i.e. past service liabilities) were £771 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £29 million, equivalent to a funding level of 96%.

The financial assumptions underlying the valuations as at 30 September 2008 were as follows:

	%
	per annum
- Investment return pre retirement	7.6
- Investment return post retirement	
Actives/deferreds	5.1
Pensioners	5.6
- Bonuses on accrued benefits	0.0
- Rate of price inflation	3.2

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

The Scheme Actuary has prepared a funding position update as at 30 September 2009. The market value of the Plan's assets at that date was £765 million and the Plan's Technical Provisions (i.e. past service liabilities) were £820 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £55 million, equivalent to a funding level of 93%.

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

In view of the small funding deficit and the level of prudence implicit in the assumptions used to calculate the Plan liabilities the Trustee has prepared a recovery plan on the basis that no additional contributions from participating employers are required at this point in time. In reaching this decision the Trustee has taken actuarial advice and has been advised that the shortfall of £29 million (as at 30 September 2008) will be cleared within 10 years if the investment returns from assets are in line with the "best estimate" assumptions. "Best estimate" means that there is a 50% expectation that the return will be in excess of that assumed and a 50% expectation that the return will be lower than that assumed over the next 10 years. These "best estimate" assumptions are 8.4% per annum pre retirement, 5.1% per annum post retirement (actives and deferreds) and 5.6% per annum post retirement (pensioners).

JOHN MARTIN'S CHARITY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

14 Contingent liability continued

A copy of the recovery plan must be sent to the Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumption and/or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2008 valuation was forwarded to The Pensions Regulator on 18 December 2009.

The next full actuarial valuation will be carried out as at 30 September 2012.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan. The Trustee's current policy is that it only applies to employers with pre-October 2001 liabilities in the Plan. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's pre October 2001 liability attributable to employment with the leaving employer compared to the total amount of the Plan's pre October 2001 liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors, including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

John Martin's Charity has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2010. As of this date, the estimated employer debt for John Martin's Charity was £25,225.08

JOHN MARTIN'S CHARITY

NOTES FORMING PARTS OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

15 Analysis of charitable funds

	Balance at 1 April 2010 £	Incoming resources £	Resources expended £	Transfers £	Gains & losses £	Balance at 31 March 2011 £
Endowment fund						
Permanent endowment fund	17,775,902		(14,759)		414,171	18,175,314
Restricted fund						
Grant making	217,040		(720,406)	754,729		251,363
Unrestricted funds						
<i>Designated: Training provision</i>	5,200				-	5,200
<i>Designated: 300th anniversary</i>	1,000			1,000	-	2,000
<i>General funds</i>	322,310	766,267	(10,538)	(755,729)	-	322,310
Total unrestricted funds	328,510	766,267	(10,538)	(754,729)	-	329,510
Total funds	18,321,452	766,267	(745,703)	-	414,171	18,756,187

JOHN MARTIN'S CHARITY

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2011

15 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 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 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 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.