

# **JOHN MARTIN'S CHARITY**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019**

**Registered Charity Number 527473**



**JOHN MARTIN'S CHARITY**  
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**FOR THE YEAR ENDED 31 MARCH 2019**

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## JOHN MARTIN'S CHARITY

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

The Trustees present their annual report and financial statements of the Charity for the year ended 31<sup>st</sup> March 2019.

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 (FRS 102) (as amended for accounting periods commencing from 1 January 2016).

### 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 Vicar 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 2019

#### 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 Hampton First School (formerly St. Andrew's Church of England First School), 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 13.7%.

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 churches' mission and 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

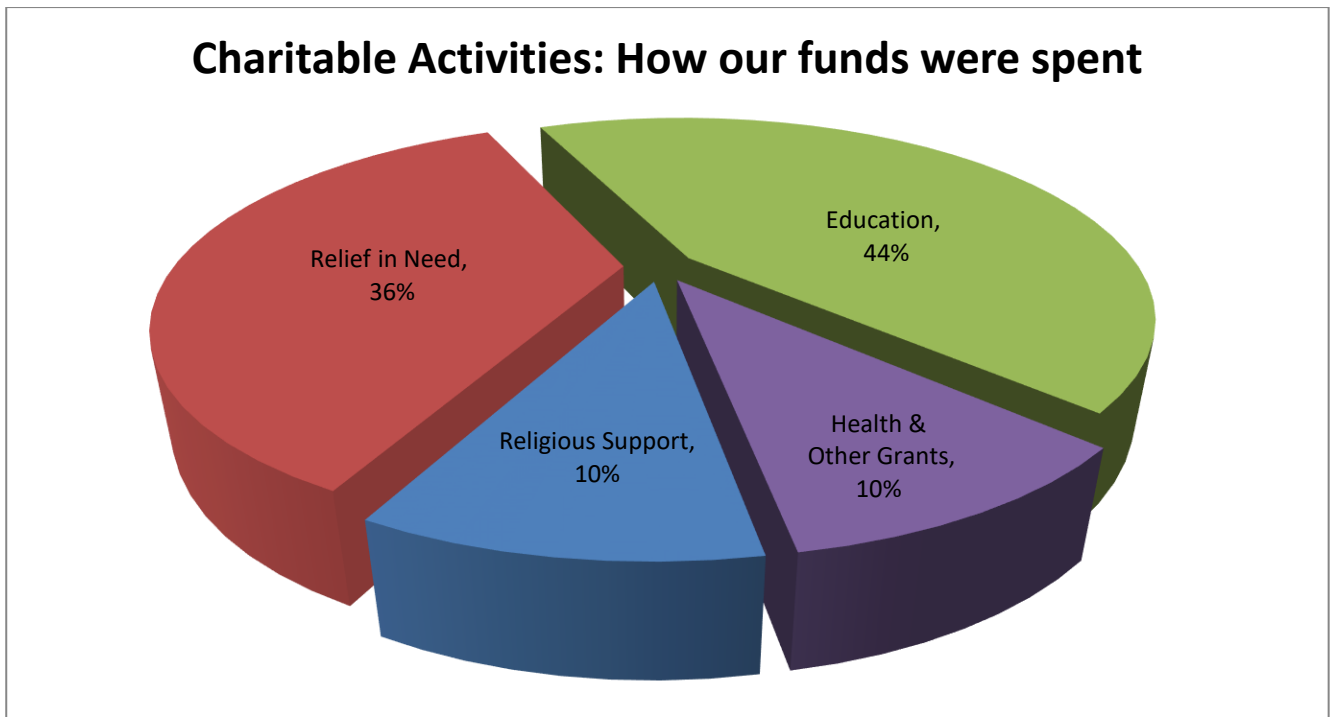
### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

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 target assistance at applicants who fall within the stated aims; for instance, confirmation that a student is attending the agreed course is required before their grant is paid and evidence that state benefits have been applied for is required for other grants. 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 Vicar 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.

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### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

#### Relief in need

The Charity approved 814 (2017/18 – 775) applications from individuals, distributing a total of £112,703 (£109,960). These applications were financially assessed in accordance with the Charity's guidelines.

The grants took a variety of forms, for example; 44 cookers were provided to households who could not afford replacement facilities, 15 fridges and fridge freezers were provided to assist with food storage, 20 grants helped ease pressure on household budgets, 19 washing machines and 10 disability aids were purchased.

Part of the funding under this objective was used to assist with the purchase of 60 (49) school uniforms and grants totalling £6,355 (£5,111) were originally 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 provided 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. 429 requests were received with 352 (304) being approved. The grants normally covered a two-week period and consisted of food vouchers and a small amount of cash to cover pre-payment utility meters. The total approvals amounted to £20,300 and assisted over 580 individuals when family members were also taken into account. However, the final expenditure was reduced to £19,328 (£17,760) because on some occasions an applicant's circumstances had changed prior to the full grant being paid, for instance, a benefit payment being received earlier than originally expected. It was concerning to note that inherent delays in the benefit system had caused a number of these emergency requests to occur in the first place. In these situations, the Charity worked with other agencies to ensure that statutory assistance had 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 award remained at £175 with a smaller allowance provided to applicants who were resident in sheltered housing where heat and light was provided within an overall service charge. 299 (319) applicants were assisted at a cost of £54,066 (£56,974).

Applicants who qualified for the Heating Award were invited on a day trip to Weston-Super-Mare in June. The Trustees were hosts to 158 guests and thank the Red Cross personnel and drivers who accompanied them on the day. In running the 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 28 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 6 applicants to the local "Discretionary Welfare Assistance Scheme" (DWA) which is provided by Wychavon District Council. This scheme provided 6 fridges and 6 microwaves to applicants who had been homeless but were now moving into their first accommodation.

National charities have also been approached when it was found that longer term assistance was more appropriate. 45 single women over the age of 60 were referred in this manner and grants totalling £22,100 were obtained to ease their household budgets.

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### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

A wide variety of local organisations have been supported and £94,924 (£71,920) was awarded to 21 (16) 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 a grant of £22,500 to South Worcestershire Citizens Advice to help with the general running costs of their Evesham office and to provide additional support to those applying for Universal Credit. The Worcester CAB/WHABAC run a housing project within Evesham and also provide support to homeless people moving into private rented accommodation, they received £10,000.

A number of grants were directed towards youth projects. The bereavement counselling service Footsteps received £4,800 to cover their work in Evesham; the Friday Youth Club at Wallace House received £5,000 to cover equipment and running costs and the Children's Kayak Charitable Trust were awarded £1,500 to assist with their 2019 summer holiday climbing project. Mentorlink provides mentoring services to local school children and they received a further grant of £4,800 this year.

Sight Concern continues to provide support to blind and partially sighted people and a grant of £6,134 helped to offset the cost of running this service. The Acquired Brain Injury Trust was also supported so that rehabilitation and education courses could continue at the local ABI Centre. The cost of providing a support worker to those recovering from alcohol abuse was offset with a £3,000 grant to Yellow Scarf and Caring Hands in the Vale received £2,500 to assist with the operating costs of their food bank.

The Evesham Volunteer Centre continues to meet agreed grant terms and so the longer term funding approved during a previous financial year has been released to them. In agreeing to longer term funding the Trustees aim to assist with the stability of these services. However, in accordance with good practice, groups do have to comply with terms and conditions that are set out at the start of the grant process. This ensures that the Charity's funds are being used correctly to deliver agreed services. Grants can be reduced or withheld if agreed conditions have not been met.

The Trustees also assist other local charitable organisations by providing them with temporary meeting rooms without charge, together with the use of other office resources. This usage equated to 814 hours at an estimated value of £6,380.

#### **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 £63,160 (£63,582) 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.

Student Grants - 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 2016/17 the Trustees were able to increase the full grant from £884 to £1,150 although it decreased slightly to £1,050 in 2017/18. This reduction occurred so that the overall budget for student funding could be more evenly split across the full and lower percentage grants – for instance, students who remain at home during their studies now receive 70% of the full grant instead of 50%.

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### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

Overall, grants totalling £256,470 (£263,135) were issued to 270 (284) students. 206 students received the full grant, 64 received a lower amount, ranging from 20% to 70%.

The Trustees made 40 (31) Miscellaneous Education Grants towards extra-curricular activities such as music, arts, sports, educational visits and club activities at a cost of £5,918 (£3,898). Within this group the Trustees also supported 4 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. A grant of £1,100 was made to the 2019 Evesham Music Festival to support their Young Musician of the Year competition.

#### 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" on page 4, a further £9,512 (£3,238) was expended on grants to 22 (15) applicants who lived in the Charity's wider beneficial area.

£28,000 was awarded to St Richard's Hospice to assist with the cost of providing specialist nurses within the Charity's beneficial area and £20,000 to Corran Dean Care for equipment being installed in their new residential units. Corran Dean provide support for children and adults with autistic spectrum conditions. Breast Cancer Haven and Acorns Children's Hospice also received grants as they had provided treatment and support to residents from the Charity's beneficial area.

#### General matters

Across all of the objectives, a total of 143 (175) applications were either withdrawn prior to consideration at a Trustees' Meeting or rejected because they failed to meet set financial or other criteria. Applicants continue to be 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 and other sources. This amounted to £799,901 (£854,178) being a decrease of 6.4% over the previous year. The figure includes nominal sums from other sources as detailed in the financial statements. The reduction was expected given the difficult market conditions and the inflated income received in the previous year, which had been partially due to the receipt of a special dividend.

#### 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.



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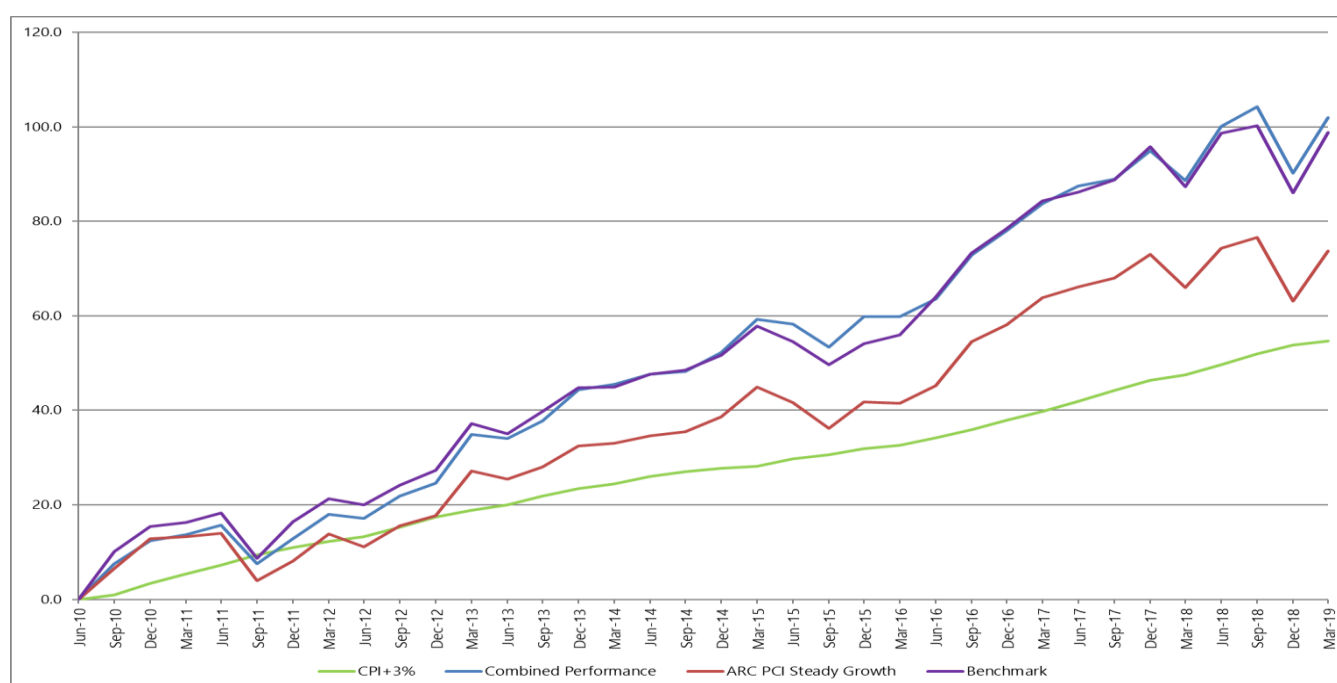
### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

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:

- A requirement to set an income target each year. This was set at £790,000 for the financial year 2018/19.
- 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 investment income received of £796,731 is above the target of £790,000 and this has been achieved without unduly increasing the portfolio's risk profile. Although the stock market suffered falls towards the calendar year end, over the whole year unrealised gains on investments amounted to £817,356.

### 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

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### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

also ensures that the Charity is not overly exposed to any one particular area of the investment market.

The Trustees consider that the maintenance of a steady level of income is a main priority in order to ensure that grant programmes can be maintained. At the same time a balance is also struck 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 the investment managers were reduced from three to two and a third of the portfolio was transferred into new investments. This had the benefit of increasing the income during that year. A further 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.

Investment sales during the current year amounted to 8.3% of the initial portfolio valuation. These sales created further investment gains of £104,959 as detailed on page 27, Note 11.

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 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).
- To make the reserves position more evident in the Annual Accounts.

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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) as this will enable the Charity's office to function and meet employment obligations. This reserve stood at £138,040 as at 1 April 2018 and a transfer of £6,030 was made at the year-end in order to meet the forecast requirement of £144,070 in 2019/20.

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 its 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 initially set at £160,000 for 2018/19 but increased to £190,000 during the period to cater for some additional expenditure.

The balance in the Restricted Income Fund decreased from £278,045 to £244,811 during the year and so the reserve requirement was maintained. The reserve requirement has been set at £160,000 for 2019/20 and the additional funds will therefore be available for health related grants.

As part of the Policy review it was decided to separate the value of the functional assets and any designated reserves from the General Fund and show these separately. This would 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.

The Trustee Report for 2018 included the results of a student survey which was undertaken in preparation for a long term review of the Charity's Student Grants. As the Government announced a review of student finance around this time, the Charity decided to suspend its own review until after the Government report had been produced and acted on. It is hoped that this will now occur later this year.

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

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### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

#### 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.

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, 22 January 2015 and 5 April 2018 sets out how the Charity is regulated.

The Scheme allows for up to thirteen Trustees and they are all drawn from the local community. The Vicar of the benefice of Bengeworth and Hampton with Sedgeberrow and Hinton on the Green is appointed Ex-Officio and serves whilst that position is held. Three Trustees are nominated, one by the Vicar detailed above 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.

As detailed in the 2018 Trustee Report, two Co-opted Trustees retired and these vacancies were advertised. Following an excellent response, the Board were pleased to appoint Mr Philip Airdrie and Mrs Janet Osborne to these positions in November 2018.

Since the year end, the term of office for the two Evesham Town Council nominees has also ended. The Board were pleased to welcome Councillors Mr Alan Booth and Mrs Jo Sandalls to the Charity for their four year term. The retiring Trustees were Councillors Mrs Diana Raphael and Mrs Frances Smith. They had served the Charity for 22 years and 12 years respectively and the Board thanked them for their long and outstanding service.

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 together with a statement of eligibility 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. New Trustees also commit to a more formal governance training course during their first year.

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.

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### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

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.

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. The level of staff 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.

Trustee expenses, which only relate to travel costs for attending training courses and related party transactions, are disclosed in note 2 of the Financial Statements.

#### 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 Philip Airdrie Mr Stuart Allerton The Reverend Mark Binney Mr Alan Booth Mrs Valerie Butler Mrs Catherine Evans Mrs Gabrielle Falkiner Mrs Janet Osborne Mrs Diana Raphael Mrs Jo Sandalls Mr Cyril Scorse Mrs Frances Smith Mr John Smith, OBE Mr John Wilson	Chairman Vice Chair Appointed 15 November 2018  Appointed 20 May 2019  Resigned 9 April 2018  Appointed 15 November 2018 Term of Office ended 18 May 2019 Appointed 20 May 2019  Term of Office ended 18 May 2019
<b>Correspondents:</b>	Mr John Daniels Mrs Elizabeth Corbett Mrs Jan Dodwell	Clerk to the Trustees Senior Administrator Accounts Administrator

## JOHN MARTIN'S CHARITY

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

<b>Auditors:</b>	Baldwins Audit Services 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
<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 1 London Wall Place London EC2Y 5AU
<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.

## **JOHN MARTIN'S CHARITY**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019**

The Trustees are responsible for keeping sufficient 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 Charities (Accounts and Reports) Regulations 2008, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and 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. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This Report was approved and adopted by the Board of Trustees at the Annual General Meeting held on 27 June 2019.

Signed by  
Nigel Lamb – Trustee

Signed by  
Julie Westlake – Trustee

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

### Opinion

We have audited the financial statements of John Martin's Charity for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2019 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.

### Basis of Opinion

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

### Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

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

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

We have nothing to report in this regard.



## 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of Trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page twelve, the Trustees are responsible for the preparation of the financial statements which give a true and fair view and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

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

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

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

*Baldwins Audit Services*

Baldwins Audit Services  
Almswood House  
93 High Street  
Evesham  
Worcestershire  
WR11 4DU

3 July 2019

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

JOHN MARTIN'S CHARITY

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2019

	Note	Unrestricted funds £	Restricted fund £	Endowment fund £	Total funds 2019 £	Total funds 2018 £
<b>INCOME AND ENDOWMENTS</b>						
Donations	3	505	-	-	505	486
Investment income	3	799,396	-	-	799,396	853,692
<b>Total income</b>		<u>799,901</u>	<u>-</u>	<u>-</u>	<u>799,901</u>	<u>854,178</u>
<b>EXPENDITURE</b>						
<b>Costs of raising funds</b>						
Investment management costs	4	-	-	53,927	53,927	35,527
<b>Charitable activities</b>						
Religious support	6	7,347	78,430	-	85,777	86,637
Relief in need		95,954	207,627	-	303,581	274,710
Promotion of education		37,183	326,647	-	363,830	366,626
Health		7,347	72,612	-	79,959	42,306
<b>Total expenditure</b>		<u>147,831</u>	<u>685,316</u>	<u>53,927</u>	<u>887,074</u>	<u>805,806</u>
<b>Net income(expenditure) and net movement in funds before (gains)/losses on investments</b>		652,070	(685,316)	(53,927)	(87,173)	48,372
<b>Net (gains)/losses on investments</b>	11	-	-	(922,315)	(922,315)	267,721
<b>Net income(expenditure)</b>		652,070	(685,316)	868,388	835,142	(219,349)
<b>Transfers between funds</b>	15	<u>(652,082)</u>	<u>652,082</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		(12)	(33,234)	868,388	835,142	(219,349)
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		<u>372,495</u>	<u>278,045</u>	<u>23,094,033</u>	<u>23,744,573</u>	<u>23,963,922</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>372,483</u>	<u>244,811</u>	<u>23,962,421</u>	<u>24,579,715</u>	<u>23,744,573</u>

The notes on pages 18 to 32 form part of these accounts.

**JOHN MARTIN'S CHARITY**

**BALANCE SHEET  
AS AT 31 MARCH 2019**

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2019 £	Total funds 2018 £
<b>FIXED ASSETS</b>						
Tangible assets	10	210,787	-	-	210,787	216,361
Investments	11	-	-	23,836,483	23,836,483	22,678,622
Total Fixed Assets		210,787	-	23,836,483	24,047,270	22,894,983
<b>CURRENT ASSETS</b>						
Stocks		-	184	-	184	209
Debtors	12	-	2,389	-	2,389	3,922
Cash at bank and in hand	12	183,347	370,886	125,938	680,171	964,108
Total Current Assets		183,347	373,459	125,938	682,744	968,239
<b>LIABILITIES</b>						
Creditors falling due within one year	13	(11,818)	(128,648)	-	(140,466)	(108,626)
<b>NET CURRENT ASSETS</b>		<u>171,529</u>	<u>244,811</u>	<u>125,938</u>	<u>542,278</u>	<u>859,613</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>						
		382,316	244,811	23,962,421	24,589,548	23,754,596
Creditors falling due after one year	14	(9,833)	-	-	(9,833)	(10,023)
<b>NET ASSETS</b>		<u><u>372,483</u></u>	<u><u>244,811</u></u>	<u><u>23,962,421</u></u>	<u><u>24,579,715</u></u>	<u><u>23,744,573</u></u>
<b>THE FUNDS OF THE CHARITY</b>						
Unrestricted funds:						
General fund		144,070	-	-	144,070	138,040
Functional assets fund		210,787	-	-	210,787	216,361
Designated		17,626	-	-	17,626	18,094
Restricted funds		-	244,811	-	244,811	278,045
Endowment fund		-	-	23,962,421	23,962,421	23,094,033
<b>TOTAL CHARITY FUNDS</b>		<u><u>372,483</u></u>	<u><u>244,811</u></u>	<u><u>23,962,421</u></u>	<u><u>24,579,715</u></u>	<u><u>23,744,573</u></u>

The notes on pages 18 to 32 form part of these accounts.

The financial statements were approved by the Board of Trustees on 27 June 2019 and were signed on its behalf by:

Mr Nigel Lamb – Trustee

Julie Westlake – Trustee

**JOHN MARTIN'S CHARITY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

	Note	Total funds 2019 £	Total funds 2018 £
<b>Net cash used in operating activities</b>	18	(847,378)	(812,541)
		_____	_____
<b>Cash flows from investing activities</b>			
Payments to acquire tangible assets		(914)	(8,606)
Payments to acquire investments		(2,102,123)	(1,820,839)
Receipts from sale of investments		1,866,577	2,234,691
Interest received		1,400	307
Dividends received		796,731	852,080
Donations		505	486
Rents received from investments		1,265	1,305
		_____	_____
<b>Net cash provided by investing activities</b>		563,441	1,259,424
<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>		(283,937)	446,883
<b>Cash and cash equivalent brought forward</b>		964,108	517,225
		_____	_____
<b>Cash and cash equivalent carried forward</b>		680,171	964,108
		=====	=====
<b>Cash and Cash equivalents consists of:</b>			
Cash at bank and in hand		680,171	964,108
		=====	=====

The notes on pages 19 to 32 form part of these accounts.

## JOHN MARTIN'S CHARITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

#### 1. ACCOUNTING POLICIES

##### Charity information

John Martin's Charity is an unincorporated charity created by the Will of John Martin of Hampton, Evesham, who died in 1714.

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, 22 January 2015 and 5 April 2018 sets out how the Charity is regulated.

##### Accounting Convention

The financial statements have been prepared in accordance 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 (FRS 102)" (as amended for the accounting periods commencing from 1 January 2016). The Charity is a public benefit entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold property and to include investment properties and certain financial instruments at fair value. The principal accounting policies are set out below.

##### Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 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.

## JOHN MARTIN'S CHARITY

### NOTES TO THE FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

#### 1. ACCOUNTING POLICIES – continued

##### **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.

##### **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 property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

## JOHN MARTIN'S CHARITY

### NOTES TO THE FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

#### 1. ACCOUNTING POLICIES – continued

##### **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.

##### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

##### **Financial instruments**

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

##### **Basic financial assets**

Basic financial assets classified as receivable within one year, which include other receivables and cash and bank balances are measured at transaction price including transaction costs.

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Financial liabilities classified as payable within one year are not amortised.

##### **Taxation**

The Charity is exempt from tax on its charitable activities.

##### **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.

## JOHN MARTIN'S CHARITY

### NOTES TO THE FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

#### 1. ACCOUNTING POLICIES – continued

##### 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 (2018: £nil). The reimbursement of Trustees' expenses was as follows:

	2019	2018	2019	2018
	Number	Number	£	£
Travel	3	1	98	69
Other	1	1	50	1,016
	<u>4</u>	<u>2</u>	<u>148</u>	<u>1,085</u>

Other expenses in 2018 include a donation to Acorn's Hospice in recognition of R Emson's long service as a Trustee as detailed in the Trustees' Report.

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 £7,530 (2018: £5,898) and £100 (2018: £1,221).

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 £633 (2018: £1,360).



JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2019

3. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	2019 Total funds £	2018 Total funds £
Donations					
Gift of expendable legacy	275	-	-	275	486
Donated goods	<u>230</u>	<u>-</u>	<u>-</u>	<u>230</u>	<u>-</u>
	<u>505</u>	<u>-</u>	<u>-</u>	<u>505</u>	<u>486</u>
<b>Investment income</b>					
Rents receivable and miscellaneous income	1,265	-	-	1,265	1,305
Dividends	796,731	-	-	796,731	852,080
Interest	<u>1,400</u>	<u>-</u>	<u>-</u>	<u>1,400</u>	<u>307</u>
	<u>799,396</u>	<u>-</u>	<u>-</u>	<u>799,396</u>	<u>853,692</u>

All income was attributable to unrestricted funds in 2019 and 2018.

4. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds £	Restricted funds £	Endowment funds £	2019 Total funds £	2018 Total funds £
Portfolio management	<u>-</u>	<u>-</u>	<u>53,927</u>	<u>53,927</u>	<u>35,527</u>
	<u>-</u>	<u>-</u>	<u>53,927</u>	<u>53,927</u>	<u>35,527</u>

In 2019, all £53,927 (2018: £35,527) 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 and support costs £
Staff costs	110,059
Office costs	13,140
Premises costs	8,159
Advertising	902
Depreciation	6,488
Legal and professional fees	1,633
Auditors' remuneration	<u>7,450</u>
	<u>147,831</u>

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2019

5. ALLOCATION OF GOVERNANCE AND SUPPORT COSTS continued

Governance costs:

	Unrestricted funds £	Restricted funds £	Endowment funds £	2019 Total funds £	2018 Total funds £
Auditors' remuneration	7,450	-	-	7,450	7,313
Support costs	<u>8,875</u>	-	-	<u>8,875</u>	<u>8,024</u>
	<u>16,325</u>	-	-	<u>16,325</u>	<u>15,337</u>

Allocation of governance and support costs:

	2019 £	2018 £
Religious support	7,347	7,118
Relief in need	95,954	92,830
Promotion of education	37,183	35,886
Health and other charitable purposes	<u>7,347</u>	<u>7,118</u>
	<u>147,831</u>	<u>142,952</u>

In 2019 and 2018 all of the expenditure on governance and support costs of £147,831 (2018: £142,952) was from unrestricted funds.

6. ANALYSIS OF CHARITABLE EXPENDITURE

	Grant funding of activities (See note 7) £	Support costs (See note 5) £	Totals £
Religious support	78,430	7,347	85,777
Relief in need	207,627	95,954	303,581
Promotion of education	326,647	37,183	363,830
Health and other charitable purposes	<u>72,612</u>	<u>7,347</u>	<u>79,959</u>
	<u>685,316</u>	<u>147,831</u>	<u>833,147</u>

In 2019 the expenditure on charitable activities was £833,147 (2018: £770,279) of which £147,831 (2018: £142,952) was expenditure from unrestricted funds and £685,316 (2018: £627,327) was expenditure from restricted funds.

7. ANALYSIS OF GRANTS

	2019 £	2018 £
Religious support	78,430	79,519
Relief in need	207,627	181,880
Promotion of education	326,647	330,740
Health and other charitable purposes	<u>72,612</u>	<u>35,188</u>
	<u>685,316</u>	<u>627,327</u>

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2019

7. ANALYSIS OF GRANTS – continued

Analysis of grants to organisations and schools:

	2019 £	2018 £
<b>Religious support</b>		
All Saints' PCC Evesham	19,300	19,900
St Andrew's PCC Hampton	32,200	19,900
St Peter's PCC Bengeworth	19,300	32,600
	<u>70,800</u>	<u>72,400</u>
<b>Relief in need</b>		
Acquired Aphasia Trust	6,500	-
Arts Uplift CIC	-	2,000
Caring Hands in the Vale	2,500	2,500
DIAL South Worcestershire	1,890	1,582
Evesham Cardiac Rehab	4,000	-
Evesham Shop Mobility	7,741	6,000
Evesham Street Pastors	-	2,000
Footsteps	4,800	-
Garage Art Group	2,000	4,000
Home Farm Trust	-	5,000
Mentor Link	4,800	4,300
Ourside Youth Association	5,000	5,000
Shine Out of School Clubs	3,000	-
Sight Concern Worcestershire	6,134	-
South Worcestershire Citizens Advice Bureau	22,500	12,000
Springfield Mind Limited	-	2,500
The Children's Kayak Charitable Trust	1,500	-
Wallace House Community Centre	5,000	10,000
Worcester Citizens Advice Bureau and WHABAC	10,000	10,000
Yellow Scarf CIC	3,000	2,000
Grant<£1,500 (5 grants), (2018: 2 grants)	4,559	3,038
	<u>94,924</u>	<u>71,920</u>
<b>Promotion of Education</b>		
Bengeworth CE Academy	5,500	4,780
Evesham College	4,680	5,898
Evesham Festival of Music	1,100	-
Evesham Festival of Words	-	500
Life Education Centre	-	(375)
Prince Henry's High School	14,040	12,800
Hampton First School	10,600	10,900
St Egwin's CE Middle School	4,070	3,760
St Mary's Catholic Primary School	2,090	1,864
St Richard's CE First School	3,800	3,700
Swan Lane First School	3,950	3,620
The De Montfort School	10,520	12,500
Vale of Evesham School	3,910	3,760
	<u>64,260</u>	<u>63,707</u>

**JOHN MARTIN'S CHARITY**

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2019**

**7. ANALYSIS OF GRANTS– continued**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Health &amp; other charitable purposes</b>		
Acorns Children's Hospice	7,500	-
Brain Tumour Trust	600	-
Breast Cancer Haven	7,000	-
Corran Dean CIC	20,000	-
Huntingdon's Disease Association	-	1,000
Multiple Sclerosis Trust	-	1,950
Severn Freewheelers	-	3,000
St Richard's Hospice	28,000	26,000
	<u>63,100</u>	<u>31,950</u>
	<u>293,084</u>	<u>239,977</u>

**Analysis of grants to individuals**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Religious support	7,630	7,119
Relief in need	112,703	109,960
Promotion of education	262,387	267,033
Health and other charitable purposes	9,512	3,238
	<u>392,232</u>	<u>387,350</u>

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	94,384	91,702
Social security costs	6,542	6,280
Other pension costs	9,133	7,168
	<u>110,059</u>	<u>105,150</u>

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

	<b>2019</b>	<b>2018</b>
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 £46,750 (2018: £45,422).

No employees received emoluments in excess of £60,000 (2018: nil).

**9. AUDITOR'S REMUNERATION**

The auditor's remuneration constituted an audit fee of £7,450 (2018: £7,313).

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2019

10. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>					
At 1 April 2018	210,000	114,192	57,094	34,017	415,303
Additions	-	-	764	150	914
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019	<u>210,000</u>	<u>114,192</u>	<u>57,858</u>	<u>34,167</u>	<u>416,217</u>
<b>DEPRECIATION</b>					
At 1 April 2018	5,200	111,119	55,339	27,284	198,942
Charge for year	1,300	1,273	773	3,142	6,488
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019	<u>6,500</u>	<u>112,392</u>	<u>56,112</u>	<u>30,426</u>	<u>205,430</u>
<b>NET BOOK VALUE</b>					
At 31 March 2019	<u>203,500</u>	<u>1,800</u>	<u>1,746</u>	<u>3,741</u>	<u>210,787</u>
At 31 March 2018	<u>204,800</u>	<u>3,073</u>	<u>1,755</u>	<u>6,733</u>	<u>216,361</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 £203,500 (2018: £204,800). The historic cost equivalent of these assets is £200,000 (2018: £200,000).

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

11. FIXED ASSET INVESTMENTS

	2019 £	2018 £
<b>Movement in fixed asset listed investments</b>		
Market value brought forward at 1 April 2018	22,483,622	23,165,195
Additions to investments at cost	2,102,123	1,820,839
Disposals at carrying value	(1,866,577)	(2,234,691)
Realised gains	104,959	11,546
Net unrealised investment gains (losses)	<u>817,356</u>	<u>(279,267)</u>
	<u>23,641,483</u>	<u>22,483,622</u>

Net cash released from investments in the year was £563,743 (2018: £1,255,998)  
65% (2018: 73%) of the above investments were held in the UK.

	2019 £	2018 £
Equities and fixed interest securities	23,641,483	22,483,622
Other investments	<u>195,000</u>	<u>195,000</u>
	<u>23,836,483</u>	<u>22,678,622</u>

**JOHN MARTIN'S CHARITY**

**NOTES TO THE FINANCIAL STATEMENTS CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2019**

**11. FIXED ASSET INVESTMENTS – continued**

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

Holding	Fund	2019	2018
		£	£
3,970,737	Cazenove Equity Income Trust for Charities	1,881,550	2,063,989
513,411	COIF Charities Investment Fund Income Units	7,876,854	7,282,632
1,267,093	COIF Charities Property Fund Income Units	1,501,885	1,460,451
944,175	Jo Hambro UK Equity income Units	1,215,153	-
817,794	Majedie Asset UK Income Fund	-	1,269,380
1,274,886	Trojan Income Fund	2,016,268	2,300,788
40,041	Vanguard S & P 500 UCITS ETF	1,648,238	1,425,860

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:

	2019	2018
	£	£
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**

	2019	2018
	£	£
Prepayments and accrued income	2,389	3,922
Cash at bank	<u>680,171</u>	<u>964,108</u>
Total	<u>682,560</u>	<u>968,030</u>

All prepayments related to restricted funds in both 2019 and 2018.

Cash and bank balances were represented by unrestricted funds £183,347 (2018: £177,321), restricted funds £370,886 (2018: £371,376) and endowment funds £125,938 (2018: £415,411).

**13. ANALYSIS OF CURRENT LIABILITIES**

	2019	2018
	£	£
Grants payable (restricted)	128,648	97,462
Sundry creditors and accruals	<u>11,818</u>	<u>11,164</u>
Total	<u>140,466</u>	<u>108,626</u>

Creditors were as follows: unrestricted funds £11,818 (2018: £11,164), restricted funds £128,648 (2018: £97,462).

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2019

14. ANALYSIS OF CREDITORS FALLING DUE AFTER ONE YEAR

	2019 £	2018 £
Pension provision	<u>9,833</u>	<u>10,023</u>
Total	<u>9,833</u>	<u>10,023</u>

All creditors falling due after one year related to unrestricted funds both in 2019 and 2018.

15. ANALYSIS OF CHARITABLE FUNDS

	At 1.4.18 £	Net movement in funds £	Transfers between funds £	At 31.3.19 £
<b>Unrestricted funds</b>				
General fund	138,040	652,070	(646,040)	144,070
Functional assets fund	216,361	-	(5,574)	210,787
Designated computer software	15,000	-	-	15,000
Designated training provision	<u>3,094</u>	<u>-</u>	<u>(468)</u>	<u>2,626</u>
	372,495	652,070	(652,082)	372,483
<b>Restricted funds</b>				
Restricted fund	278,045	(685,316)	652,082	244,811
<b>Endowment funds</b>				
Endowment fund	23,094,033	868,388	-	23,962,421
<b>TOTAL FUNDS</b>	<u>23,744,573</u>	<u>835,142</u>	<u>-</u>	<u>24,579,715</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	799,901	(147,831)	-	652,070
Functional assets fund	-	-	-	-
Designated computer software	-	-	-	-
Designated training provision	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	799,901	(147,831)	-	652,070
<b>Restricted funds</b>				
Restricted fund	-	(685,316)	-	(685,316)
<b>Endowment funds</b>				
Endowment fund	-	(53,927)	922,315	868,388
<b>TOTAL FUNDS</b>	<u>799,901</u>	<u>(887,074)</u>	<u>922,315</u>	<u>835,142</u>

## JOHN MARTIN'S CHARITY

### NOTES TO THE FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 MARCH 2019

#### 15. MOVEMENT IN FUNDS – continued

##### **Transfers between funds**

In accordance with the Charity Scheme, £468 (2018: £468) was utilised from the unrestricted designated training provision fund during the year for staff and trustee training. The functional assets fund was decreased by £5,574 (2018: increased by £2,422), in line with the current value of the assets stated in the Balance Sheet at 31 March 2019. £6,030 (2018: £2,080) 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) (as amended for accounting periods commencing from 1 January 2016).

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 2019

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 950 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 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. 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 2019 to 31 January 2025: £11,243,000 per annum  
(payable monthly and increasing by 3% each on 1st April)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. 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 £1,483 (2018: £1,440) 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.

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2019

16. PENSION COMMITMENTS continued

Present values of provision

	2019 £	2018 £	2017 £
Present value of provision	11,790	11,506	12,953

Reconciliation of opening and closing provisions

	2019 £	2018 £
Provision at start of period	11,506	12,953
Unwinding of the discount factor (interest expense)	184	161
Deficit contribution paid	(1,483)	(1,440)
Actuarial remeasurements - change in assumptions	108	(168)
Actuarial remeasurements - amendments to the contribution schedule	1,475	-
Provision at end of period	11,790	11,506

Income and expenditure impact

	2019 £	2018 £
Interest expense	184	161
Actuarial remeasurements – change in assumptions	108	(168)
Actuarial remeasurements – amendments to the contribution schedule	1,475	-
Pension contributions	7,550	7,336
Contributions recognised in the statement of financial activities (note 8)	9,317	7,329

Assumptions

	2019 % per annum	2018 % per annum	2017 % per annum
Rate of discount	1.39	1.71	1.32

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.

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

	2019 £	2018 £
Net movements in funds	835,142	(219,349)
Donations	(505)	(486)
Dividends received	(796,731)	(852,080)
Rents receivable from investments	(1,265)	(1,305)
Interest receivable	(1,400)	(307)
Depreciation of tangible fixed assets	6,488	6,184
(Gains)/losses on investments	(922,315)	267,721
Decrease/(increase) in stock	25	(32)
Decrease/(increase) in debtors	1,533	(96)
Increase/(decrease) in creditors	31,650	(12,791)
Net cash used in operating activities	(847,378)	(812,541)