

**ANDREWS CHARITABLE TRUST
(REGISTERED CHARITY NO. 243509)**

**CONSOLIDATED ANNUAL REPORT AND
FINANCIAL STATEMENTS**

31 DECEMBER 2011

ANDREWS CHARITABLE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST

Trustees

The Trustees of the Trust who served throughout the period and after the year end were as follows:-

A Radford (Chair of Trustees)

H Battrick

C Chapman

N Colloff

P Heal

E Hughes

A Jackson

A Page

M Robson

D Saint

D Westgate

N Wright (Treasurer)

Appointments sub-committee

A Radford (Chair)

H Battrick

M Robson

N Wright

Finance and Investments Committee

P Heal (Chair)

A Jackson

N Wright

A Radford

Director and Principal Office

Sian Edwards

Andrews Charitable Trust

The Clockhouse

Bath Hill

Keynsham

Bristol

BS31 1HL

E Mail info@Andrewscharitabletrust.org.uk

Telephone number (0117) 9461834

Website

www.andrewscharitabletrust.org.uk

Bankers

Cafcash Ltd

Kings Hill

West Malling

ME19 4TA

ANDREWS CHARITABLE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST (continued)

Solicitors

Harris and Harris
14 Market Place
Wells
Somerset
BA5 2RE

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
31 Great George Street
Bristol
BS1 5QD

Investment Managers

M & G Investments
PO Box 9038
Chelmsford
CM99 2XF

Chartered Surveyors

ProMission
Linton House
164-180 Union Street
London
SE1 OLH

ANDREWS CHARITABLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2011

The financial statements have been prepared in accordance with the accounting policies on pages 18 to 20 and comply with the Trust Deed, the Charities Act 2011 and the Statement of Recommended Practice: “Accounting and Reporting by Charities” issued in 2005.

Structure, Governance and Management

The Trust was established as a registered charity by a Trust deed dated 23rd February 1965. Originally called “The Phyllis Trust”, the name was changed on 12th March 1987 to “World in Need” and changed again on 1st December 2004 to “Andrews Charitable Trust”. The Trust name is now commonly abbreviated to “ACT”.

On 7th July 2011 a new set of rules for the operation of the charity were agreed, following a governance review that had been conducted in 2010. The final version of the new rules document was approved by all trustees present who signed a document to agree to use them in the course of the Trust’s daily business and governance. It is understood that this document is additional, not instead of the original Deed which remains the key legal document for ACT.

The new Rules document attempts to lay out the key operational elements of the Deed plus new simplified processes in one document that is easy to read and which gives greater clarity on our governance for new trustees joining the trust. The main provisions in this document are laid out below:

The Trust deed provides for a minimum of four Trustees and a maximum of fifteen but the Rules now say that we will maintain a board size of nine – twelve Trustees, four of whom must be Directors of Andrews & Partners group of businesses.

New Trustees are appointed by the full board and serve for three years after which period they may put themselves forward for reappointment for two further terms after which they must stand down for at least one full year. The Board keeps the skill requirements for the Trustee body under review and in the event that a Trustee resigns or additional new trustees are required, the board refers to the Appointments sub-committee. This committee considers the names and details of potential Trustees and will also interview selected candidates. Once approved by the committee, candidates’ details are circulated to the Trustee Board, who will hold an election at the next Trustee meeting.

New Trustees receive a copy of the Trustee Information Pack, containing the Trust Deed, The Rules and Administrative Provisions document, the latest Annual Report, details of other Trustees, a role specification, policy statements, Charity Commission guidance for Trustees and details of projects funded. They will also be offered induction time with the Trust’s Director. [mac1]

The Trustees meet four times a year, with one meeting used (usually in the autumn) as a strategic review and planning day. At the quarterly Trustees’ meeting, the Trustees agree the broad strategy and areas of activity for the Trust, including consideration of new proposals for funding, financial monitoring investment, reserves and risk management policies and performance.

The Trust operates a Finance and Investments Committee, made up of the Treasurer, the Chairman and at least two other trustees with relevant experience, one of whom can provide appropriate chairmanship of the committee. This Committee meets at least twice a year to review the Trusts investments and financial management and to make recommendations to the board regarding all finance and investment matters.

ANDREWS CHARITABLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2011 (continued)

The Trustees agree all the Trust's charitable grants following recommendations made by the Director. The day to day administration of grants and the processing and handling of grant applications to the Trust is delegated to the Trust Director. That said, Trustees are very involved in the Trust's activities and give up to 6 days of their time, annually, to the work of the trust, outside of board meetings.

The Trustees annually carry out a formal review of the major risks to which the Trust is exposed. The identified risks are graded as to whether they are perceived as a high, medium or low risk to the organisation. Systems are established to monitor and manage those risks. In 2011, during the risk review, there were no major risks identified that had a risk grading of high. The major risks to which the Trust is exposed, as identified by the Trustees, have been reviewed and systems or procedures have been established to manage those risks.

The Trust is involved in many networks that provide help, guidance and information on good practice, changes in law that affect charities and which provide contextual updates on a wide range of relevant issues. Memberships include the Association of Charitable Foundations (ACF), the National Council for Voluntary Organisations (NCVO) and the BOND (the body for non-governmental organisations (NGOs) working in international development).

Objectives and activities

The objects in the Trust deed are:-

- a) The advancement of the Christian religion including the declaration of eternal life; and,
- b) The relief of sickness, poverty and distress in any part of the world as an expression of Christian love.

ACT's mission is to support social change as an expression of its Christian Values. To achieve this, it:

- Searches out and receives proposals from people or groups with innovative ideas to address issues of poverty and provides seed corn funding in the early stages of a new venture. The Trust looks for visionary 'champions' with the capability, competence, passion and practical ability to translate vision into reality;
- Backs organisations seeking a significant step-change in their work and provides investment into their organisational capacity; i.e. ensuring the ability and tools are in place to replicate what they currently do so to benefit more communities in more places;
- Operates a "finance plus" model of grant-making, providing a hands on approach which seeks to add value with a blend of governance and management support, performance (and impact) evaluation and networking inputs to the organisations it funds; and
- Promotes viability and independence of the organisations it works with, seeking to phase out its support, usually over three to five years, as appropriate.

In making any decision whether to support a proposed organisation (new or existing) a thorough assessment of its mission and potential social impact is paramount in the minds of the Trustees and Trust Director. 'What difference could this make to the world?' is the foundational question.

ANDREWS CHARITABLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2011 (continued)

Procedures and policy for grant making

The main vehicle for finding new work to support is our website - www.andrewscharitabletrust.org.uk - but the Director and trustees also continue a pro-active approach to networking and seeking out interesting individuals and their organisations, whenever possible.

At a strategic review in March 2011 our funding criteria was reviewed and updated and will form the basis for assessment of all proposals for funding for the next three years, at which point a further review will take place. The key criteria which are used in the assessment of proposals are now as follows:

- An idea that is innovative, sustainable and replicable
- An idea that could leave a mark on the world
- A commitment to performance measurement, and evaluating the impact of their work on those they intend to support.
- A positive approach to collaboration, networking and partnering
- Strong and passionate leadership with some track record in (social) entrepreneurialism.
- Simple solutions to an identified need

Applications are first reviewed by the Director according to our mission, and the set of criteria as described above. Projects which meet the criteria are then interviewed by the Director – over the phone or face to face. Suitable projects will then be put to the Board of Trustees and if approved, applicants will move through to the next stage of assessment and will be visited by the Director accompanied by one or two Trustees. Projects which still seem attractive will then be asked to finalise their application document in conjunction with the ACT Director, and this will be put before the next Trustee Board meeting for funding approval or rejection. Sometimes further work is undertaken with applicants (e.g. business planning) in advance of Trustees' making a funding decision, in which case a proposal may go through another quarter and a further Trustees' meeting.

Work with Grantee Organisations

Once Trustees make a positive funding decision and a grant letter is exchanged (giving terms and conditions which are signed by both sides) a project formally joins the small portfolio of funded organisations. This is noted on the ACT Website.

In addition to funding, the Trust commits management/development support to each project. This usually comprises at least one Trustee and the Trust Director. Organisations that we support have traditionally been offered the opportunity for one of our trustees to join their board as a trustee (or non-executive Director). In addition, where specialist expertise cannot be provided by the Trust, provision can also be bought in, as appropriate.

This highly engaged way of working is fully explained to the project champion and trustees (if there are any) during initial contact and the evaluation period. Trustees and the Trust Director become fully engaged with the project at a strategic management level and report to the Andrews Charitable Trust board on progress made by the project. The Trust Director does not become a trustee of a portfolio board but does engage with both management and the board, and sometimes attends board meetings.

The Trust's commitment (grant size/years) is guided by the project proposal, which is usually reviewed annually – but always in light of the intentions of the contract between us. This may result in requests for additional funding. Broadly speaking, ACT's funding is for core organisational costs and not for project activities.

ANDREWS CHARITABLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2011 (continued)

Procedures and policy for grant making (continued)

Exit

The Trust's support for projects is focused, intensive and time-bound. If the Trust supports a start-up, it wishes to see the venture through to viability. This can take between 2-7 years. Viability is taken to mean an organisation which has matured to be well governed and managed, delivering a valuable and recognised social benefit, and whose funding is balanced and reasonably secure. The precise Exit point will be expressed clearly in the funding contract although formal annual reviews will ensure that this remains the most appropriate point to exit, given our desire to see an enterprise through to self-sustainability.

Achievements and performance of the Trust

The main threads of work achieved by the trust during 2011 were:

1. Continued support for the portfolio of organisations participating in the pilot programme "Tackling Intergenerational Homelessness in Bristol through Whole Family and Parenting Support"
2. Continued support for Excellent Development.
3. Strategic review of our funding criteria and finalisation of our governance review
4. Two new small investments into strategic planning for Ekklesia and Nurture.

1. Tackling intergenerational homelessness in Bristol through whole family and parenting support.

ACT has continued to support this programme through grants to five organisations. During the year, a decision was made to cease support for the Father Worker in Orbit, but we were delighted that SPAN agreed to take over employment of the Father Worker and so the service continued uninterrupted. Both SPAN and the Father Worker are pleased that this opportunity arose and the relationship between this service and the group parenting programmes that SPAN run has been a successful one.

In addition to the grants, as listed in the table in Note 7 below, ACT has also supported the portfolio in other ways. This year, it has continued to make it possible for all grantee organisations to meet quarterly, and paid for an external facilitator to work with them and local council representatives to explore how these relationships might continue beyond the ACT funding period. As part of this, the group has agreed to consider opportunities to compete for consortium funding. However, despite Council suggestions that an opportunity might arise for the group to bid for Family Intervention Project funding, no such tender has been announced during 2011 and the group has still not been able to bid collectively for external funding to keep the partnership going.

One further intervention by ACT has been the identification and funding of an external evaluator, who was contracted for the whole of the final year of the project (from April 2011 – April 2012) to support each grantee organisation to strengthen their monitoring and evaluation systems to build up better evidence bases for their services, and also to write up the experience of the programme in a final evaluation report. This evaluation report will form the basis of dissemination events in 2012, which will share the learning and experience of ACT, as a funder, and of the portfolio of services funded, with regard to the three key objectives for the work which were:

- To promote stronger family relationships and parenting skills in homeless families.
- To promote practical working links and sign-posting between agencies.
- To build up evidence for preventative work and whole family approaches.

ANDREWS CHARITABLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2011 (continued)

Achievements and performance of the Trust (continued)

2. Support for Excellent Development

Funding of £63,142 covered the completion of the fourth year of the project and represented the remaining funding of the five year contract, which was due to end at March 2012. During the year, Excellent has made good progress in helping to establish its new operational partner in Kenya – the Africa Sand Dam Foundation (ASDF) and in setting up systems and processes to monitor its work and to facilitate the identification and assessment of new partner organisations; the key to replication of the approach. In April 2011, the ACT Director and two trustees (Paul Heal and Liz Hughes) visited ASDF in Kenya and on the basis of their visit report, conducted a final year review in July. The ACT representatives were very impressed by the work and suggested that ACT could provide further support to Excellent for the remaining period of funding in the following areas:

- a. Strengthening ASDF's own capacity for fundraising to reduce their dependence on Excellent
- b. Advice and feedback on the development of the systems and processes for assessment of potential partners working in new areas
- c. Support for the conduct of an external evaluation in 2012 to investigate the effectiveness of the approach and to provide a basis for ongoing improvement, especially to their on-going, internal monitoring and evaluation processes
- d. To review, with Excellent, the stated exit timetable for ACT funding

ACT also offered to further support the development of on-going monitoring systems and of independent evaluation to explore the evidence that the approach

3. Finalisation of the governance review and conduct of a strategy review for the trust.

A new set of administrative provisions were finalised in March 2011 to provide the trustees with an easily understandable and operational set of rules for the trust. This document is additional to the original Deeds which remain the main legal basis for the trust.

With five relatively new trustees in place and a full board of twelve trustees, a strategic review meeting was held on 9th/10th March 2011. As a result of this, the new funding criteria were set in place and the Director supported with a reinvigorated vision of how the Trust's funding and experience can be best applied. These have already been listed above in the section on the procedures of the trust.

4. New investments

In May/June 2011 the website was revised and the new funding criteria advertised. As a result of this and by proactive work by the Director, a number of potential investments were considered during the remainder of the year. Although no substantial investments were agreed in the year, at a meeting in October, two small grants were agreed to support two organisations with the development of their plans.

[mac3]These were as follows:

- Ekklesia, a Christian think tank, was supported with a facilitator, space and two ACT representatives to undertake a full strategic review in order to advise and develop a new business plan for the organisation.
- Nurture, a new enterprise being undertaken by Anil Patel, was funded to the tune of £20,000 to undertake consultations and research into the needs of carers in India and in South Africa, in order to advise the set up of a new charity to address those needs.

ANDREWS CHARITABLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2011 (continued)

Financial Review, investment policy and reserves

a) Reserves Policy

Reserves are held by ACT in order to generate income for the Trust, meet ongoing grant commitments and to maintain the scale of operations of grant giving.

The Trustees have an established policy whereby the investment in Andrews and Partners Ltd, the quoted investments and the investment property are held for the generation of income for the Trust. These comprise £8.14m (2010: £8.11m) of the Trust's total reserves. The net current assets of the Trust comprise the remainder of the Trust's reserves. Trustees review the appropriate level of net current assets reserves at each meeting, together with the forecast income and future grant commitments. The sum of the net current assets reserves at any given point plus forecast income over the next three years is targeted to be at least equal to future grant commitments over the next three years. At 31 December 2011 the actual level of net current assets reserves was £240,509 (2010: £231,012) which was in excess of future grant commitments of £nil (2010: £181,863). Trustees are comfortable with this level of reserves bearing in mind the uncertainty over future income as a result of the downturn in the housing market in which Andrews and Partners Ltd operates.

The overall Reserves Policy is monitored on an ongoing basis and reviewed annually.

The Trustees are of the opinion that the financial position of the funds of the Trust is satisfactory and anticipate no difficulty in meeting the obligations of the Trust.

b) Investment Policy and Objectives

The Trustees have the power to invest in such assets as they see fit with no restrictions over which companies or sectors to invest in. However, the investment in Andrews and Partners Ltd is special, as the founder of the Company, Cecil Jackson-Cole, was later to become the original settlor of ACT and he endowed the Trust with a majority shareholding in the Company. He made it clear that he wished the Trustees to retain these shares, if at all possible, because of his desire to have charity and business working together and the potential for Andrews and Partners Limited's staff to contribute to the charitable endeavour. Trustees would like to thank the Directors and staff of Andrews & Partners for their continued interest, support and practical assistance to the work of the Trust. The fact that Andrews and Partners Ltd is a private company operating in the highly cyclical residential property market makes it difficult to value. Recognising the cyclical nature of the property market, the investment is benchmarked against the FTSE All-Share Index total return over a rolling five-year period. In reality, the value of the investment in Andrews and Partners Ltd is not purely financial, but is also represented by the intangible benefit of the contributions of Andrews' staff, some of whom serve as Trustees.

In order to reduce the financial dependence of the Trust on Andrews and Partners Ltd, Trustees have over a number of years, and as a matter of policy, developed other assets that may be held for the long-term generation of income. The quoted investments had a market value of £709,681 (2010: £749,503) and the investment property had a market value of £1.69m (2010: £1.8m) at 31st December 2011.

The emphasis of the investment strategy for these other assets is to produce a reliable, relatively high – yielding income whilst at the same time protecting the capital from the erosive effect of inflation.

The investment property is specifically targeted to produce a return of 7.3% pa income yield.

The quoted investments are targeted to provide a higher income yield than the FTSE All-Share Index and to provide a total annual return in excess of the FTSE All-Share Index.

ANDREWS CHARITABLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2011 (continued)

Investment performance against the investment objectives set

The latest audited financial information available on Andrews and Partners Limited is in respect of their year ended 31 December 2011. Group turnover for 2011 was £27,839,967 which was 1% up on the 2010 figure of £27,523,800. A loss after tax was reported in 2011 of £204,147 compared to a profit of £209,500 in 2010. A gift aid donation of £217,650 was received from Andrews in the year (2010: £nil). As detailed in the investment policy and objectives, Trustees acknowledge that Andrews and Partners Ltd operate in a cyclical market and benchmark investment performance over a rolling five-year period. Over the last five years, the total return on Andrews and Partners Ltd has averaged minus 0.8% pa compared to +1.2% pa total return on the FSTE All-Share index.

The investment property was revalued at 31 December 2011 and the valuation was £110,000 less than at 31 December 2010. The rental income during 2011 was £131,000 (2010: £129,760) which made the yield on the investment property in the year 7.5%, just above the investment objective set.

The vast majority of the Trust's quoted investments continue to be invested in the M & G Equities Investment Fund for Charities as this continues to provide a yield higher than the FTSE All-Share index and has had an impressive long-term performance record. The Equities Investment Fund for Charities investment was revalued at 31 December 2011, decreasing the net assets of the Trust by £39,436 (2010: increase of £51,067). Dividends from this investment in 2011 were £37,620 (2010: £37,141). The total return on the investment in 2011 was minus 0.2% compared to the benchmark of minus 3.5% as measured by the FTSE All-share index. The Trust also has a small quoted investment in Banco Santander. The market value of this investment fell during the year from £1,372 to £986.

Plans for future periods

At the end of March 2012, all our current grants, including the Bristol programme tackling intergenerational homelessness and our partnership with Excellent Development, come to an end. The Director, with trustees, is in the process of assessing potential new grants, in the hope of establishing a portfolio of new interests by the autumn. In addition to this, a number of events are planned for 2012. Following evaluation of the innovative project in Bristol, two dissemination events are being planned – one in London and one in Bristol – to share our experiences more widely with practitioners, policy makers and commissioners working in related fields. We feel that there is plenty of experience, particularly in supporting greater collaboration between voluntary agencies and between them and local councils, that is worth sharing and that will be of interest to others. We also plan to share this experience with other funders at the national conference of the Association of Charitable Foundations, in the autumn.

In addition to this, we will be hosting an event to explore, with other influential and innovative thinkers, the meaning of our first objective, “advancement of the Christian religion” and to help us think about what innovation in this field might look like.

ANDREWS CHARITABLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2011 (continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Report to the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

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

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to remain in office, and a resolution to reappoint them will be proposed at the Annual General Meeting.

Approved by the Trustees and signed on their behalf by:

Andrew Radford
Chair of Trustees
12th July 2012

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ANDREWS CHARITABLE TRUST

We have audited the financial statements of Andrews Charitable Trust for the year ended 31 December 2011 which comprise the Consolidated and Trust Statements of Financial Activities, the Consolidated and Trust Balance Sheets, the Consolidated Cash Flow Statement 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).

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page 10, the trustees are responsible for the preparation of financial statements which give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity's trustees as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Regulation 30 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and nonfinancial information in the Report of the Trustees 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 group's and the parent charity's affairs as at 31 December 2011, and of the group's incoming resources and application of resources and cash flows, 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 and Regulation 15 of The Charities (Accounts and Reports) Regulations 2008.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ANDREWS CHARITABLE
TRUST (continued)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity 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.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol,

PricewaterhouseCoopers LLP is eligible to act, and has been appointed, as auditor under section 144(2) of the Charities Act 2011.

ANDREWS CHARITABLE TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31ST DECEMBER 2011

	Note	2011 £	2010 £
INCOMING RESOURCES			
Incoming resources from generated funds			
Investment income	3	168,987	167,542
Donations received		500	1,565
Income of trading subsidiaries	4	27,839,967	27,523,800
TOTAL INCOMING RESOURCES		28,009,454	27,692,907
RESOURCES EXPENDED			
Cost of generating funds:			
Cost of trading subsidiaries	4	(27,826,464)	(27,314,300)
Investment management costs	5	(1,440)	-
Charitable activities:			
Homelessness		(253,923)	(235,403)
Relief of poverty		(95,120)	(79,169)
Prison communities		-	(91,445)
Forgiveness		-	(5,509)
Cost of grant making		(349,043)	(411,526)
Governance costs	9	(27,157)	(22,485)
TOTAL RESOURCES EXPENDED		(28,204,104)	(27,748,311)
NET OUTGOING RESOURCES BEFORE RECOGNISED GAINS AND LOSSES			
	10	(194,650)	(55,404)
(Loss)/gains on investment assets	12	(39,822)	50,385
Unrealised (loss)/surplus on revaluation of freeholds and investment property	11	(110,000)	100,000
Other recognised losses	4	(314,657)	-
Minority interests	20	694,719	(71,230)
NET MOVEMENT IN TRUST FUNDS		35,590	23,751
Balance brought forward at 1 January		8,345,785	8,322,034
BALANCE OF TOTAL TRUST FUNDS CARRIED FORWARD AT 31 DECEMBER	19	8,381,375	8,345,785

All funds are unrestricted and all amounts derived from continuing activities. All gains and losses recognised in the year are included in the Statement of Financial Activities.

ANDREWS CHARITABLE TRUST
TRUST STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31ST DECEMBER 2011

	Note	2011 £	2010 £
INCOMING RESOURCES			
Incoming resources from generated funds:			
Investment income	3	386,637	167,542
Donations from staff of Andrews and Partners Limited		500	1,565
TOTAL INCOMING RESOURCES		<u>387,137</u>	<u>169,107</u>
RESOURCES EXPENDED			
Costs of generating funds:			
Investment management costs	5	(1,440)	-
Charitable activities:			
Homelessness		(253,923)	(235,403)
Relief of poverty		(95,120)	(79,169)
Prison communities		-	(91,445)
Forgiveness		-	(5,509)
Cost of grant making	6	(349,043)	(411,526)
Governance costs	9	(27,157)	(22,485)
TOTAL RESOURCES EXPENDED		<u>(377,640)</u>	<u>(434,011)</u>
NET INCOMING/(OUTGOING) RESOURCES BEFORE RECOGNISED GAINS AND LOSSES			
	10	<u>9,497</u>	<u>(264,904)</u>
Revaluation of investment property	11	(110,000)	100,000
Gains on investment assets	12	136,093	188,655
NET MOVEMENT IN FUNDS		35,590	23,751
Balance brought forward at 1 January		<u>8,345,785</u>	<u>8,322,034</u>
BALANCE OF TOTAL TRUST FUNDS CARRIED FORWARD AT 31 DECEMBER	19	<u>8,381,375</u>	<u>8,345,785</u>

All funds are unrestricted and all amounts derived from continuing activities. All gains and losses recognised in the year are included in the Statement of Financial Activities.

ANDREWS CHARITABLE TRUST
CONSOLIDATED BALANCE SHEET
31ST DECEMBER 2011

	Note	2011	2010
		£	£
FIXED ASSETS			
Tangible assets	11	6,794,729	7,429,341
Investments	12	869,702	949,524
		<u>7,664,431</u>	<u>8,378,865</u>
CURRENT ASSETS			
Debtors	13	1,898,952	1,863,146
Cash at bank and in hand		<u>5,794,674</u>	<u>5,478,465</u>
		7,693,626	7,341,611
CREDITORS: amounts falling due within one year	14	<u>(3,971,274)</u>	<u>(3,731,549)</u>
CLIENT MONIES ACCOUNTS			
Cash at Bank		9,712,175	9,087,933
Cash due to clients		<u>(9,712,175)</u>	<u>(9,087,933)</u>
NET CURRENT ASSETS		<u>3,722,352</u>	<u>3,610,062</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		11,386,783	11,988,927
CREDITORS: amounts falling due after one year	15	(497,487)	(471,656)
Provisions for liabilities and charges	16	<u>(335,683)</u>	<u>(304,529)</u>
NET ASSETS		<u>10,553,613</u>	<u>11,212,742</u>
FUNDS			
Unrestricted charitable funds	19	2,640,190	2,780,515
Non-charitable trading funds	19	<u>5,741,185</u>	<u>5,565,270</u>
TOTAL TRUST FUNDS		8,381,375	8,345,785
Minority Interests	20	<u>2,172,238</u>	<u>2,866,957</u>
TOTAL FUNDS		<u>10,553,613</u>	<u>11,212,742</u>

The financial statements on pages 13 to 35 were approved by the Board of Trustees on 12th July 2012 and were signed on its behalf by

Andrew Radford
Chair

ANDREWS CHARITABLE TRUST

TRUST BALANCE SHEET - 31 DECEMBER 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	11		1,690,000		1,800,000
Investments	12		<u>6,450,866</u>		<u>6,314,773</u>
			8,140,866		8,114,773
CURRENT ASSETS					
Cash at bank and in hand		337,453		329,712	
Debtors	13	<u>4,756</u>		<u>4,648</u>	
		342,209		334,360	
CREDITORS: amounts falling due within one year	14	<u>(101,700)</u>		<u>(103,348)</u>	
NET CURRENT ASSETS			<u>240,509</u>		<u>231,012</u>
TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS			<u>8,381,375</u>		<u>8,345,785</u>
FUNDS					
Unrestricted funds	19		<u>8,381,375</u>		<u>8,345,785</u>

The financial statements on pages 13 to 35 were approved by the Board of Trustees on [Date] and were signed on its behalf by

Andrew Radford
Chair

ANDREWS CHARITABLE TRUST

CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31st DECEMBER 2011

	Note	2011		2010	
		£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	22		1,059,430		459,735
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		215,620		174,451	
Interest paid		<u>(75,105)</u>		<u>(62,266)</u>	
Net cash inflow from investments and servicing of finance			140,515		112,185
TAXATION (PAID)/REPAID			(48,150)		3,725
CAPITAL EXPENDITURE					
Purchase of investment		-		(200,021)	
Purchase of tangible fixed assets		(860,619)		(1,327,431)	
Sale of tangible fixed assets		51,538		117,914	
Purchase of own shares		<u>(69,375)</u>		<u>-</u>	
Net cash outflow for capital expenditure			(878,456)		(1,409,538)
Debenture loan			<u>42,870</u>		<u>301,086</u>
Increase/decrease in cash and movement in net investment in the year			<u>316,209</u>		<u>(532,807)</u>

Reconciliation of net cash flow to movement in net funds (note 23)

Increase in cash during the year	£ 316,209
Net funds at 1 January 2011	5,478,465
Net funds at 31 December 2011	<u>5,794,674</u>

ANDREWS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with the Trust Deed, the historical cost convention, as modified by the revaluation of investments and certain tangible fixed assets, and applicable Accounting Standards. In preparing the financial statements the Trust has followed best practice as set out in the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005) issued in March 2005 and has complied with the Charities Act 2011 and The Charities (Accounts and Reports) Regulations 2008. A summary of the more important accounting policies of the Trust and the group, which have been applied consistently, are set out below:-

1) Basis of Consolidation

Consolidated financial statements have been prepared for Andrews Charitable Trust and the Andrews and Partners Limited group which consists of the companies listed in Note 4. The results and assets of Andrews and Partners Limited group have been consolidated for the year ended 31st December 2011. The basis of consolidation is on a line by line basis. Minority Interests represent the 27.45% (2010: 33.98%) proportion of Andrews and Partners Limited that is not owned by Andrews Charitable Trust. This is valued in the balance sheet on a net assets basis. Where the group comprises companies which are associate entities the equity method of accounting rules are applied.

2) Investments and investment properties

The Trust's investments and investment properties, which are all held in the United Kingdom, are stated at the Trustees' best estimate of market value at the balance sheet date. Unrealised gains and losses are shown in the Statement of Financial Activities. Provision for losses is made where the Trustees believe that the value of an investment has become permanently impaired.

The Trustees have decided that the most appropriate valuation of their investment in Andrews and Partners Limited is on a net assets basis.

3) Incoming resources

All incoming resources are recognised once the Group and Trust 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. Gift Aid reclaimable on donations to the Trust is included by the Trust, when the amount is receivable.

4) Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Trust 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. Any irrecoverable VAT is charged to the Statement of Financial Activities, or capitalised as part of the cost of the related asset, where appropriate.

"Costs of generating funds" in the Statement of Financial Activities mainly represents the net expenditure of the trading subsidiary, Andrews and Partners Limited.

ANDREWS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011
(continued)

1. ACCOUNTING POLICIES (continued)

5) Resources expended (continued)

“Charitable activities” in the Statement of Financial Activities represents the costs of grant making including allocation of overhead and support costs.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. Grants by the Trust are recognised in the financial statements when the offer is conveyed to the recipient except where the offer is conditional, such grants being recognised as expenditure when the conditions attached are fulfilled. Grants offered subject to conditions, which have not been met at the year-end, are noted as a commitment, but not accrued as expenditure.

6) Allocation of overhead and support costs

Overhead and support costs have been allocated firstly between charitable activity and governance, and further apportioned within Charitable Activities based on the time spent on each activity.

7) Governance Costs

Governance costs comprise all costs involving the public accountability of the Trust 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.

8) Investment Management Costs

Investment management costs comprise all direct costs relating to the management of the investments of the Trust.

9) Contingent Liabilities

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.

10) 10Funds

Unrestricted charitable funds comprise those funds, which the Trustees are free to use for any purpose in furtherance of the charitable objects.

Non-charitable trading funds comprise the Trust’s share of the investment in Andrews and Partners Limited.

Minority interests represent the value of the other shareholder’s interests in Andrews and Partners Limited and doesn’t form part of the Trust’s funds.

ANDREWS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011
(continued)

1. ACCOUNTING POLICIES (continued)

11) Tangible Fixed Assets

The group has continued to adopt a policy of revaluation for its properties and separates these assets into components where they have significantly different economic useful lives.

Expenditure is capitalised where the Trustees expect to derive future economic benefits over a period exceeding one year.

Tangible Fixed assets are stated at cost or valuation less depreciation calculated on the following basis:

(a) Freehold Premises:

Freehold buildings are depreciated on a straight-line basis over 50 years. Freehold land is not depreciated.

(b) Long Leasehold Premises:

Premises with leases in excess of 50 years are depreciated on a straight-line basis over 50 years.

(c) Short Leasehold Premises:

Premises with leases with less than 50 years to run are depreciated over the unexpired period of the lease.

(d) Furniture and Equipment:

Furniture and equipment is depreciated on a straight-line basis at varying rates from 10% to 33% per annum.

(e) Motor Vehicles:

Owned motor vehicles are depreciated on a straight-line basis over 4 years.

12) The principal accounting policies of the group that only apply to Andrews and Partners Limited and its subsidiary companies are as follows:-

(i) Revaluations

Differences arising on the revaluation of tangible fixed assets in the financial statements are taken to non charitable trading funds to the extent that the individual property has been revalued upwards previously.

(ii) Pension scheme arrangements

The group provides defined contribution retirement benefits to its employees. Defined contributions are recognised on an accruals basis.

(iii) Deferred taxation

Provision is made for deferred taxation on all material timing differences. Deferred tax assets are recognised where their recovery is considered more likely than not. Deferred tax assets and liabilities have not been discounted.

(iv) Operating leases

Payments under operating leases are expensed when incurred. Leases are recognised as operating leases when the rights and obligations of ownership have not been transferred from the lessor.

ANDREWS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011
(continued)

2. TAXATION

Andrews Charitable Trust is a registered charity and as such tax exemption applies to the income arising from and expended on charitable activities and to its investment income and gains.

3. INVESTMENT INCOME

	<u>2011</u>	<u>2010</u>
Group	<u>£</u>	<u>£</u>
Group investment income	168,987	167,542
	<u>2011</u>	<u>2010</u>
Trust	<u>£</u>	<u>£</u>
Group investment income	168,987	167,542
Donations from Andrews & Partners Ltd	217,650	Nil
Trust investment income	386,637	167,542

ANDREWS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011
(continued)

4. **INCOME OF TRADING SUBSIDIARIES**

The Trust has a 72.55% (2010: 66.02%) interest in Andrews and Partners Limited and its subsidiary undertakings, which are incorporated in England and Wales.

The subsidiaries, all of which are wholly owned by the trading group are:

<u>Company:</u>	<u>Principal Activity</u>
Andrews Estate Agents Limited	Estate Agents
Andrews Letting and Management Limited	Letting Agents
Andrews Pension Trust Limited	Pension Trustee
Andrews Financial Services Limited	Financial Services
Haywoods Property Limited	Property Management
Landmark Surveyors Limited	Surveying
Andrews ESOP Limited	Employee Share Ownership Plan Trustee
Andrews West Street Management Limited	Block Management Services

In addition the group holds a 21% share in Mortgage Options (Partnership Division) Limited whose activities are financial services.

The principal activity of the group is in residential estate agency, with services in letting and management, surveying and financial services. The group donates by Gift Aid a proportion of its profit, when funds permit, to Andrews Charitable Trust and other connected Trusts. Audited financial statements for the Andrews and Partners Ltd group for the year ended 31st December 2011 will be filed with the Registrar of Companies.

The trading results of the Andrews and Partners Ltd group are set out below:

	<u>31st December 2011</u>	<u>31st December 2010</u>
<u>Profit and Loss Account</u>	<u>£</u>	<u>£</u>
Income of trading subsidiaries – turnover	27,839,967	27,523,800
Administration expenses	(27,960,735)	(27,360,028)
Other operating income	51,191	56,302
Interest receivable	255,508	181,322
Interest payable	(75,105)	(62,266)
Taxation (note 18)	(14,973)	(129,630)
Amount donated to other charities	(82,350)	-
Cost of trading subsidiaries	(27,826,464)	(27,314,300)
Amount donated to Andrews Charitable Trust	(217,650)	-
(Loss)/profit for the financial year	(204,147)	209,500
Purchase of own shares	(69,375)	-
Unrealised loss on revaluation of freeholds	(245,282)	-
Total recognised (losses)/gains in year	(518,804)	209,500
Amount attributable to subsidiary's minority shareholders (note 20)	(142,412)	71,230
Amount attributable to the Trust (note 19)	(376,392)	138,270
	<u>(518,804)</u>	<u>209,500</u>

ANDREWS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011
(continued)

5. INVESTMENT MANAGEMENT COSTS

Group and Trust

	<u>2011</u>	<u>2010</u>
	<u>£</u>	<u>£</u>
Professional fees re investment property	1,440	-

6. ANALYSIS OF CHARITABLE EXPENDITURE

The Trust does not undertake any activity directly but meets its charitable purposes by making grants. Grants made by the Trust fell into four main activity groups. The total amount of charitable activities analysed in relation to each activity group was as follows:

Group and Trust	<u>Grant funded</u> <u>activity</u> <u>(note 7)</u>	<u>Support</u> <u>costs</u> <u>(note 8)</u>	<u>Total</u> <u>2011</u>	<u>Total</u> <u>2010</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Relief of poverty	83,142	11,978	95,120	79,169
Homelessness	218,278	35,645	253,923	235,403
Prison communities	-	-	-	91,445
Forgiveness	-	-	-	5,509
Total	301,420	47,623	349,043	411,526

7. ANALYSIS OF GRANTS MADE TO INSTITUTIONS

Grants made to institutions were a material part of the total resources expended by the Trust. No grants were made to individuals in the year (2010 nil). The grants made were as follows:

Group and Trust	<u>2011</u>	<u>2010</u>
	<u>£</u>	<u>£</u>
<u>Relief of poverty:</u>		
A Patil	20,000	-
Excellent Development	63,142	71,858
	83,142	71,858
<u>Prison Communities:</u>		
Kainos Community	-	83,000
<u>Homelessness:</u>		
SPAN	114,774	80,855
Survive	35,948	36,502
Community Resolve	20,273	17,003
Orbit	4,720	33,919
Shelter	42,563	39,200
	218,278	207,479
<u>Forgiveness:</u>		
The Forgiveness Project	-	5,000
	301,420	367,337

ANDREWS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011

(continued)

8. SUPPORT COSTS

Trust

An external evaluation of the Bristol homelessness programme was carried out in the year and is included in support costs allocated 100% to charitable activities. Similarly, the meeting costs of the five participants in the Bristol homelessness programme are also included in support costs allocated 100% to charitable activities.

Other support costs, consisting of the office costs of the Trust, including staff salaries, are split between grantmaking and governance on the estimated staff time spent on each activity as shown in the table below:

<u>Cost type</u>	<u>Basis of apportionment</u>	<u>Charitable Activities</u>	<u>Governance (note 9)</u>	<u>Total allocated 2011</u>	<u>Total allocated 2010</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Staff costs	Staff time	37,577	9,395	46,972	42,058
Office costs	Staff time	5,846	1,461	7,307	4,661
External Evaluation	Project	4,200	-	4,200	4,940
Meeting expenses	Project	-	-	-	1,874
Total		47,623	10,856	58,479	53,533

9. ANALYSIS OF GOVERNANCE COSTS

Trust

	<u>2011</u>	<u>2010</u>
	<u>£</u>	<u>£</u>
Staff costs	9,395	8,412
Office costs	1,461	932
Audit fee (including irrecoverable VAT)	9,240	8,640
Trustee expenses	632	944
Meeting expenses	5,615	-
Governance review	-	2,812
Other costs	814	745
	<u>27,157</u>	<u>22,485</u>

ANDREWS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011
(continued)

10. NET OUTGOING RESOURCES

Group expenditure (unless otherwise disclosed) includes the following charges/(credits):-

	<u>2011</u>	<u>2010</u>
	<u>£</u>	<u>£</u>
Interest payable on:		
Bank loans and overdrafts [Trust: £Nil]	9,248	4,540
Other loans [Trust: £Nil]	65,857	57,726
	75,105	62,266
Profit on sale of fixed assets [Trust: £Nil]	(19,651)	(43,186)
Depreciation – owned assets [Trust: £Nil]	1,056,978	1,217,401
Auditors' remuneration:		
-audit fees [Trust:£7,550 (2010: £7,500)]	38,200	38,200
-taxation fees [Trust: £Nil]	50,200	30,040
-remuneration review [Trust: £Nil]	7,600	2,700
-other required by legislation	32,750	32,900
Operating lease charges-land and buildings [Trust: £Nil]	1,141,052	1,087,723

11. TANGIBLE FIXED ASSETS

Group	<u>Investment</u>	<u>Freehold</u>	<u>Short</u>	<u>Furniture</u>	<u>Motor</u>	<u>Total</u>
	<u>Properties</u>	<u>premises</u>	<u>leasehold</u>	<u>and</u>	<u>vehicles</u>	<u></u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>equipment</u>	<u>£</u>	<u>£</u>
<u>At cost/valuation</u>		-				
1 January 2011	1,800,000	3,380,000	283,961	4,143,641	2,142,463	11,750,065
Additions	-	-	-	448,754	411,865	860,619
Disposals	-	-	(35,000)	-	(217,083)	(252,083)
Revaluation	(110,000)	(367,034)	-	-	-	(477,034)3
31 December 2011	1,690,000	3,012,966	248,961	4,592,395	2,337,245	11,881,567
<u>Analysis</u>						
At cost	-	-	198,461	4,592,395	2,337,245	7,128,101
At valuation	1,690,000	3,012,966	50,500	-	-	4,753,466
	1,690,000	3,012,966	248,961	4,592,395	2,337,245	11,881,567
<u>Accumulated depreciation</u>						
1 January 2011	-	90,134	165,645	2,772,583	1,292,362	4,320,724
Charge for year	-	-	15,948	750,199	290,831	1,056,978
Disposals	-	-	(35,000)	-	(185,196)	(220,196)
Written back on revaluation	-	(70,668)	-	-	-	(70,668)
31 December 2011	-	19,466	146,593	3,522,782	1,397,997	5,086,838
<u>Net book amounts</u>						
31 December 2011	1,690,000	2,993,500	102,368	1,069,613	939,248	6,794,729
31 December 2010	1,800,000	3,289,866	118,316	1,371,058	850,101	7,429,341

ANDREWS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011
(continued)

11. TANGIBLE FIXED ASSETS (continued)

The group's freehold properties are formally revalued every five years and subject to an impairment review in the intervening years. They were last formally revalued during 2008 on the basis of open market value by independent qualified valuers. The valuations were undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors in the United Kingdom. At 31 December 2011 they were subject to an internal valuation by David Westgate FRICS who is an employee of the Andrews and Partners Group.

Investment properties were revalued on an open market rental basis at 31 December 2011 by MA Brett Surveyors Limited (FRICS) being a revision exercise on the previous open market valuation by ProMission at 31 December 2010. The valuations were undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors in the United Kingdom.

The resulting revaluation adjustment to the freeholds has been charged to the Group Statement of Financial Activities, and the revaluation adjustment to the investment properties has been charged to the Trust Statement of Financial Activities.

At 31 December 2011 the historical cost of the revalued freehold premises was £2,259,543 (2010: £2,259,543) and short leasehold premises £50,500 (2010: £50,500). At 31 December 2011 the historical net book value of the revalued freehold premises was £1,428,764 (2010: £1,458,891); short leasehold premises £38,977 (2010: £40,418) and investment property £425,000 (2010: £425,000).

No provision has been made for deferred tax on gains recognised on revaluing property to its market value or on the sale of properties where potentially taxable gains have been rolled over into replacement assets. Such tax would become payable only if the property were sold without it being possible to claim rollover relief. The total amount unprovided for is £50,000 (2010: £161,000). At present it is not envisaged that any tax will become payable in the foreseeable future. There were no capital commitments at 31 December 2011 (31 December 2010: nil).

Note of group historical cost net movements in funds

	<u>2011</u>	<u>2010</u>
	£	£
Reported net movements in funds for the year	35,590	(23,751)
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amounts	(30,127)	14,940
Historical cost net movements in funds for the year	<u>5,463</u>	<u>(38,691)</u>

The Trust had no differences between reported net movements in funds and historical movement in funds.

ANDREWS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011
(continued)

11. TANGIBLE FIXED ASSETS (continued)

Trust

	<u>Investment Property</u> £
<u>At cost/valuation</u>	
1 January 2011	1,800,000
Revaluation in year	
31 December 2011	<u>(110,000)</u>
<u>Analysis</u>	<u>1,690,000</u>
At valuation	<u>1,690,000</u>
<u>Accumulated depreciation</u>	
1 January 2011 and 31 December 2011	=
<u>Net book amounts</u>	
31 December 2011	<u>1,690,000</u>
31 December 2010	<u>1,800,000</u>

12. INVESTMENTS

Group	<u>Market Value</u> <u>2011</u> £	<u>Market Value</u> <u>2010</u> £	<u>Cost</u> <u>2011</u> £	<u>Cost</u> <u>2010</u> £
<u>Quoted investments:</u>				
The Equities Investment Fund for Charities	708,695	748,131	617,498	617,498
Banco Santander (note 12(ii))	986	1,372	-	-
	709,681	749,503	617,498	617,498
<u>Unquoted investments in associated company:</u>				
Mortgage Options (Partnership Division) Limited	160,021	200,021	200,021	200,021
<u>Total investments</u>	869,702	949,524	817,519	817,519

All the Trust's and the group's investment assets are held in the UK.

ANDREWS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011
(continued)

12. INVESTMENTS (continued)

Trust	Percentage Of class of Shares held	<u>Market Value 2011</u> £	<u>Market Value 2010</u> £	<u>Cost 2011</u> £	<u>Cost 2010</u> £
Unquoted investments:					
Andrews and Partners Limited (note 12 (i))	72.55	5,741,185	5,565,270	6,388	6,388
Quoted investments:					
The Equities Investment Fund For Charities		708,695	748,131	617,498	617,498
Banco Santander (note 12 (ii))		986	1,372	-	-
		<u>709,681</u>	<u>749,503</u>	<u>617,498</u>	<u>617,498</u>
TOTAL		<u>6,450,866</u>	<u>6,314,773</u>	<u>623,886</u>	<u>623,886</u>
		<u>Group 2011</u> £	<u>Trust 2011</u> £	<u>Group 2010</u> £	<u>Trust 2010</u> £
Market value at beginning of year		749,503	6,314,773	699,118	6,126,118
(Loss)/gain on revaluation		(39,822)	136,093	50,385	188,655
Market value at end of year		<u>709,681</u>	<u>6,450,866</u>	<u>749,503</u>	<u>6,314,773</u>

All investments held by the Trust have been acquired in accordance with the powers available to the Trustees.

Notes

- (i) The Trust holds 212.760 shares (72.55% (2010: 66.02%) of the voting rights) in Andrews and Partners Limited. The principal activity of Andrews and Partners Ltd is in residential estate agency. In the year ended 31 December 2011 the Group reported a turnover of £27,839,967 (2010 £27,523,800) and a loss after tax for the financial year of £204,147 (2010: profit of £209,500). At 31 December 2011 the capital and reserves of the Group amounted to £7,913,423 (2010 £8,432,227).
- (ii) Banco Santander (formerly Abbey National) shares were received at nil cost as windfall shares.

ANDREWS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011

(continued)

134. DEBTORS

	<u>Group</u> <u>2011</u>	<u>Trust</u> <u>2011</u>	<u>Group</u> <u>2010</u>	<u>Trust</u> <u>2010</u>
	£	£	£	£
Trade debtors	832,456	-	720,495	-
Other debtors	137,656	-	108,514	-
Prepayments and accrued income	566,629	4,756	651,113	4,648
Corporation tax	8,455	-	-	-
Deferred tax asset (note 234)	353,756	-	383,024	-
	<u>1,898,952</u>	<u>4,756</u>	<u>1,863,146</u>	<u>4,648</u>

14. CREDITORS: Amounts falling due within one year

	<u>Group</u> <u>2011</u>	<u>Trust</u> <u>2011</u>	<u>Group</u> <u>2010</u>	<u>Trust</u> <u>2010</u>
	£	£	£	£
Trade creditors	405,829	-	374,183	-
Outstanding pension contributions	96,190	-	99,145	-
Taxation and social security	1,415,697	-	1,155,926	-
Accruals and deferred income	929,792	40,200	941,578	41,848
Other creditors	61,500	61,500	61,500	61,500
Debenture loan	695,721	-	700,000	-
Loan repayments due within 12 months	366,545	-	345,227	-
Corporation tax	-	-	53,990	-
	<u>3,971,2743</u>	<u>101,700</u>	<u>3,731,549</u>	<u>103,348</u>

15.CREDITORS: amounts falling due after more than one year

	<u>Group</u> <u>2011</u>	<u>Group</u> <u>2010</u>
	£	£
Other loans –amount due between one and two years	296,247	240,949
Other loans –amount due between two and five years	201,240	230,707
	<u>497,487</u>	<u>471,656</u>

The debenture loan is secured on two of the freeholds of the company. Repayment of capital is over 20 years from July 2011 to June 2031. However, unless renegotiated and specifically extended, full repayment is due on 30 June 2016. Interest is charged at a fixed rate of 5.825%. The debenture loan has been disclosed as all falling due within one year, because there was a technical breach of one of the loan covenants relating to the loan to value ratio. This accounting adjustment was required because the company had not received a formal waiver of the covenant breach before the end of the year. The other loans are secured against the motor vehicles of the company. Repayment of capital and interest is made on a monthly basis until 2015. Interest payable on these loans is fixed over the duration of the loans and averages 3.1%. The Trust itself had no creditors due after more than one year.

ANDREWS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011
(continued)

16. PROVISIONS FOR LIABILITIES AND CHARGES

The Group	Clawback Provision (Note (i)) £	Surveying Claims (Note (ii)) £	Total £
At 1 January 2011	228,654	75,875	304,529
Utilised in the year	(116,716)	(21,364)	(138,080)
Provided in the year	114,102	55,132	169,234
At 31 December 2011	226,040	109,643	335,683

(i) Clawbacks

Provision is made for future clawbacks of initial financial services commission anticipated to arise in the indemnity period.

(ii) Surveying claims

Provision was made for compensation payable in respect of claims arising from residential surveys carried out by Landmark Surveyors Limited.

17. STAFF COSTS AND EMPLOYEES

Group and Trust

	<u>2011</u> <u>Number</u>	<u>2010</u> <u>Number</u>
The average number of persons employed by the group was:-		
Estate Agency	202	204
Other activities	277	275
Charitable activities (employed by the Trust)	1	1
	<u>480</u>	<u>480</u>

Group

	<u>2011</u> £	<u>2010</u> £
Salaries	15,205,148	15,335,032
Social security costs	1,642,812	1,640,261
Defined contribution pension scheme contributions	611,620	580,654
	<u>17,459,580</u>	<u>17,555,947</u>

ANDREWS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011
(continued)

17. STAFF COSTS AND EMPLOYEES (continued)

Trust	<u>2011</u>	<u>2010</u>
	£	£
Salaries	40,327	35,680
Social security costs	3,845	3,578
Defined contribution pension scheme contributions	2,800	2,800
	<u>46,972</u>	<u>42,058</u>

The “directorship” outlined on page 1 of these financial statements is a nominal title and as such the employee concerned is not an officer of the Trust. Accordingly no disclosure of “directors’ emoluments” is included in these financial statements.

No employee of the Trust received emoluments of over £60,000 during the period (2010 £ nil).

Details of the emoluments of the directors of the subsidiaries are disclosed in the financial statements of those companies.

18. TAXATION CHARGE ON PROFIT ON ORDINARY ACTIVITIES

Group	<u>2011</u>	<u>2010</u>
	£	£
UK corporation tax (credit)/charge based on the (loss)/profit for the year adjusted for tax purposes:		
- current year at 26.5% (28%)	(8,455)	53,990
- prior year overprovision	(5,840)	(9,797)
Total current tax (credit)/charge	<u>(14,295)</u>	<u>44,193</u>
Deferred tax - prior year	1,357	(5,073)
Deferred tax –effect of rate change	28,272	16,912
Deferred tax –current year	(361)	73,598
Tax on (loss)/profit on ordinary activities	<u>14,973</u>	<u>129,630</u>

The tax for the period is lower (2010: lower) than the standard rate of corporation tax in the UK (26.5%). The differences are explained below:

	<u>2011</u>	<u>2010</u>
	£	£
(Loss)/profit on ordinary activities at the UK tax rate at 26.5%	(50,131)	94,956
<i>Effects of:</i>		
Utilisation of losses	(10,500)	(84,070)
Expenses not deductible for tax purposes	41,198	35,359
Rate change	20	-
Accelerated capital allowances / other timing differences	361	7,745
Amortisation of investment	10,597	-
Adjustments in respect of previous periods	(5,840)	(9,797)
Total current tax charge	<u>(14,295)</u>	<u>44,193</u>

ANDREWS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011
(continued)

19. RECONCILIATION OF MOVEMENTS IN TRUST FUNDS

	<u>Unrestricted</u> <u>Charitable</u> <u>Funds</u>	<u>Non-</u> <u>charitable</u> <u>Trading</u> <u>Funds</u>	<u>Total</u> <u>2011</u>	<u>Total</u> <u>2010</u>
	£	£	£	£
Balance at 1 January	2,780,515	5,565,270	8,345,785	8,322,034
Effect of decrease in minority interest	-	552,307	552,307	-
Losses retained in subsidiaries attributable to the Trust (note 4)	-	(376,392)	(376,392)	138,270
Net Movement in funds	(140,325)	-	(140,325)	(114,519)
Balance at 31 December	<u>2,640,190</u>	<u>5,741,185</u>	<u>8,381,375</u>	<u>8,345,785</u>

The movement on the Trust fund is shown on the statement on page 14.

The “effect of decrease in minority interests” above relates to the impact of Andrews and Partners Limited buying some of its’ own shares during 2011 which increased the % owned by the Trust from 66.02% to 72.55%.

20. RECONCILIATION OF MOVEMENT IN MINORITY INTERESTS

	<u>Minority Interests</u> <u>£</u>
Balance at 1 January 2011	2,866,957
Effect of decrease in minority interest (note 19)	(552,307)
Losses retained in subsidiaries attributable to minority interests (note 4)	(142,412)
Movement in year	(694,719)
Balance at 31 December	<u>2,172,238</u>

21. CONTINGENT LIABILITIES

At 31 December 2011 grants sanctioned by the Trustees but not yet spent amounted to £nil (31 December 2010 £181,863). The group had no other contingent liabilities.

Movements on Grant commitments

Grant commitments at 1 January 2011	181,863
Add: grants approved in year	119,557
Less: paid in year	(301,420)
Grant commitments at 31 December 2011	<u>-</u>

The grant commitments are all likely to be met in the next three years from current reserves.

ANDREWS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011
(continued)

22. **RECONCILIATION OF CHANGES IN RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<u>2011</u>	<u>2010</u>
	£	£
Net outgoing resources for the year	(194,650)	(55,404)
Net interest receivable	(180,403)	(119,056)
Charitable donations made	-	-
Taxation charge	14,973	129,630
Operating result	(360,080)	(44,830)
Amortisation charges	40,000	-
Depreciation charges	1,056,978	1,217,401
Net profit on sale of tangible fixed assets	(19,651)	(43,186)
Increase in debtors	(16,731)	(110,073)
Increase/(decrease) in creditors	327,760	(510,123)
Increase/(decrease) in provision for liabilities and charges	31,154	(49,454)
Net cash inflow from operating activities	<u>1,059,430</u>	<u>459,735</u>

ANDREWS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011
(continued)

23. **TRUSTEES' AND EMPLOYEES' REMUNERATION**

No Trustee received any remuneration from the Trust during the year (2010 nil). Four Trustees received reimbursement of travel expenses totalling £632 (2010 two trustees £944).

24. **DEFERRED TAXATION**

Breakdown of deferred tax debtor in note 13:

	2011	2010
	£	£
<hr/>		
The Group		
Accelerated capital allowances	184,306	196,788
Losses	139,805	156,175
Other timing differences	29,645	30,061
	<hr/>	<hr/>
	353,756	383,024
<hr/>		

Reconciliation of movement in deferred tax during the year:

At 1 January 2011	383,024
Profit and loss – prior year (note 18)	(1,357)
Effect of rate change	(28,272)
Profit and loss – current year (note 18)	361
	<hr/>
At 31 December 2011	353,756
<hr/>	

ANDREWS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011
(continued)

25. **OPERATING LEASE COMMITMENTS**

Operating lease commitments of the group payable within one year but not provided in the financial statements:

	<u>Land and</u> <u>Buildings</u> <u>2011</u> <u>£</u>	<u>Land and</u> <u>Buildings</u> <u>2010</u> <u>£</u>
Expiring within one year	412,143	324,355
Expiring between one and five years	468,420	328,295
Expiring after five years	218,214	318,342
	<hr/> 1,098,777	<hr/> 970,992

The Trust itself had no operating lease commitments at 31 December 2011 or 31 December 2010.

26. **RELATED PARTY TRANSACTIONS**

A number of Trustees of Andrews Charitable Trust had interests in other charities and companies with which transactions have taken place (see below for details). The Trustees of Andrews Charitable Trust have considered the disclosure requirements of Financial Reporting Standard 8, Related Party disclosures and consider that the transactions requiring disclosure have been fully disclosed in the above notes to the financial statements.

<u>Trustee</u>	<u>Organisation</u>
A Radford	Andrews and Partners Limited
M Robson	Andrews and Partners Limited
P Heal	Andrews and Partners Limited
N Wright	Andrews and Partners Limited

Investment income of £217,650 was received in 2011 from Andrews and Partners Limited (2010 £nil). There were no balance sheet amounts due or owing to any related parties at 31 December 2011 or 31 December 2010.