

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

**CONSOLIDATED ANNUAL REPORT AND
FINANCIAL STATEMENTS**

31 DECEMBER 2012

ANDREWS CHARITABLE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST

Trustees

The Trustees of the Trust who served throughout the period and up to the date of the signing of the financial statements, were as follows:-

A Radford (Chair of Trustees)
H Battrick
N Colloff
P Heal
E Hughes
A Jackson
A Page
D Saint
C Chapman (working Director of Andrews & Partners)
M Robson (working Director of Andrews & Partners)
D Westgate (working Director of Andrews & Partners)
N Wright (Treasurer and working Director of Andrews & Partners)

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

Siân 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 2012

The audited financial statements have been prepared in accordance with the accounting policies on pages 19 to 21 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 working 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.

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. The Committee meets at least twice a year to review the Trust’s investments and financial management and to make recommendations to the board regarding all finance and investment matters. In 2011 they developed a shareholder directive to guide the relationship between the Trust and the Andrews & Partners businesses which was adopted by both boards and which will be reviewed every three years by the committee.

ANDREWS CHARITABLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2012 (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 October 2012, 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), Social Impact Assessment Association (SIAA) and 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, in 2012, the Trust conducted the following strategies:

- Searched out and received proposals from people or groups with innovative ideas to address issues of poverty and provided seed corn funding in the early stages of a new venture. The Trust looked for visionary 'champions' with the capability, competence, passion and practical ability to translate vision into reality;
- Backed organisations seeking a significant step-change in their work and provided 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;
- Operated a "finance plus" model of grant-making, providing a hands on approach which sought to add value with a blend of governance and management support, performance (and impact) evaluation and networking inputs to the organisations it funded; and
- Promoted viability and independence of the organisations it worked 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 2012 (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. A further review took place in January 2013 in order to refine these criteria with the experience of almost two years in operation. 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. The grant letter acts as a funding contract and includes details of all the expected outcomes for the period of the grant and further terms and conditions for the grant, which is signed by both sides. Thereafter, an organisation formally joins the small portfolio of funded organisations (no more than 3-5 at any one time). The new partnership is also 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'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

ANDREWS CHARITABLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2012 (continued)

Procedures and policy for grant making (continued)

additional funding. Broadly speaking, ACT's funding is for core organisational costs and not for project activities.

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

During 2012, the Trust entered its first predominantly outward looking period since formalisation of the revised funding criteria. The Director was tasked with supporting on-going development of the website and networking, raising our profile and reach to increase access to and the quality of applicants to the Trust.

Through this process the number of applications to the Trust, following the new guidelines being published were as follows:

QUARTERS	PENDING/ APPROVED	REVIEWED & REJECTED	NOT MEETING CRITERIA	TOTAL APPLICATIONS RECEIVED EACH QUARTER
2011 QTR 3 JULY - OCT	0	11	32	43
2011 QTR 4 OCT - JAN	1	15	42	58
2012 QTR 1 JAN - APRIL	0	11	41	52
2012 QTR 2 APRIL - JULY	0	5	38	43
2012 QTR 3 JULY - OCT	5	15	80	100
2012 QTR 4 OCT - NOV	3	0	32	35
TOTAL	9	57	265	331

Analysis of the focus of organisations applying for funding are as follows:

Area	Applications Received
International Poverty	86
International Health and Human Rights	52
International Environmental	8
International Education	18
Christian	25
UK Social Enterprise	17
UK Social Welfare	61
UK Education	7
UK Health	12
UK Human Rights	6
UK Environmental	3
Individuals	20
Other	16

ANDREWS CHARITABLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2012 (continued)

Achievements and performance of the Trust (continued)

In order to manage an increased number of applicants, the Trust has refined its criteria and has further developed its assessment process. This process is now advertised on the ACT website and includes the identification of three distinct phases to direct trustee decisions:

- a. A **Watch List** of interesting proposals is developed of organisations that meet our criteria and for further assessment by the Director.
- b. Proposals that look promising are then promoted to the **Pipeline** for more formal assessment by the Trust's Director and one or more of its trustees.
- c. As a result of this assessment a small number of shortlisted applicants (no more than 1-2 at any one meeting) are offered an opportunity to make a **Presentation** to the full Board of Trustees at which point a decision of funding is made.
- d. Successful applicants enter the **Active Portfolio** and are provided with core funding and support from the Trust's Director and Trustees.

As a result of this work, two new funding commitments were made during the year, as follows:

1. Start up funding of £50,000 for a new organisation called **Carers Worldwide**. This followed a grant to Anil Patil for research and consultation to explore the needs of carers in developing countries and how these be best met. As a result of the research, Anil established that there was indeed an opportunity for a new, independent charity to promote, support and develop appropriate responses to carer's needs and to work with existing organisations (especially in the disability, mental health, HIV/AIDS, and elderly sectors) to design and develop their programmes to address the issues of carers, which include poverty, exclusion, loneliness, respite care and others.
2. The initial business plan of **Restored**, an organisation set up to tackle violence against women, was supported for an initial eighteen month period. The total grant approved was £130,000 of which £25,000 was paid during 2012. The remaining £105,000 relating to 2013-14 is shown in grant commitments in note 21 to the financial statements. Restored's unique position within the international fight to end violence against women, is their ability to speak from a Christian perspective and to actively speak "into the church" to promote their active participation in these efforts and to tackle negative attitudes. Additionally, Restored is working to raise the voice of men in these efforts. This work they have begun in the UK by initiating the First Man Standing campaign.

In 2012, the Trust also supported a number of other initiatives relating to the furtherance of our charitable objectives, including:

1. Planning and exploration for a Christian innovation event to help us identify how the trust might contribute to wider efforts that address our first objective. It is likely that an initial consultation event will take place in 2013.
2. The Christian Initiative Trust (CIT) – our sister trust - planned, designed and promoted the Mustard Seed awards in 2012, with the objective of soliciting an increase in applications and a greater quality of applications that are using innovative approaches in which churches and Christian organisations can support their communities. ACT provided an additional £20,000 to these awards. Further information about the Awards can be found on the CIT website.

ANDREWS CHARITABLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2012 (continued)

Achievements and performance of the Trust (continued)

3. The grant funding of five Bristol-based organisations in the programme “Tackling Homelessness through Whole Family and Parenting Approaches” finished at the end of 2011 and the project itself came to an end in March 2012. Following an extended evaluation of the work, a series of dissemination events were conducted in 2012 to share ACT’s experiences in supporting this work and in particular, in supporting a group of voluntary organisations to work together to support a shared group of objectives. The findings of this evaluation are available on the ACT website. Dissemination included two events – one in London, one in Bristol – organised by the Trust and the running of a seminar at the 2012 conference of the Association of Charitable Foundations which was specifically focused for other funders interested in this work.

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 £8.53m (2011: £8.14m) 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 2012 the actual level of net current assets reserves was £521,307 (2011: £240,509) which was in excess of future grant commitments of £105,000 (2011: £Nil). 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.

ANDREWS CHARITABLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2012 (continued)

b) Investment Policy and Objectives (continued)

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 £781,013 (2011: £709,681) and the investment property had a market value of £1.638m (2011: £1.69m) at 31st December 2012.

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 7.75% 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.

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 2012. Group turnover for 2012 was £29,526,058 which was 6% up on the 2011 figure of £27,839,967. A profit after tax was reported in 2012 of £513,760 compared to a profit of £204,147 in 2011. A gift aid donation of £286,346 was receivable from Andrews in the year (2011: £217,650). 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 1% pa compared to plus 2.5% pa total return on the FTSE All-Share index. This reflects a difficult five year period for the residential property market since the downturn in late 2007.

The investment property was revalued at 31 December 2012 and the valuation was £52,000 less than at 31 December 2011. The rental income during 2012 was £131,000 (2011: £131,000) which made the yield on the investment property in the year 7.9%, 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 2012, increasing the net assets of the Trust by £71,338 (2011: decrease of £39,436). Dividends from this investment in 2012 were £40,119 (2011: £37,620). The total return on the investment in 2012 was plus 14.97% compared to the benchmark of plus 12.3% 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 £986 to £980

Plans for future periods

It is intended, by January 2014 for the Trust to have 1-3 new, active partnerships in place, meeting our new funding criteria, and a developed pipeline of potential grantee organisations for future consideration.

Specific Objectives

To establish new networks for locating new initiatives, including discussions with other funders

- Build, continue to build on and develop relationships with other funders initiated in 2012.
- Strengthen relationship with ACF and its members to maximise our profile amongst other trusts.
- Collaborate with other funders on issues and events which support innovation, replication and sustainability in the sector (including work that will support our portfolio organisations).
- To organise an “open innovation” event with influential Christian thinkers to attempt to contribute to/innovate within the broad context of communicating Christianity in the 21st century.
- To continue to build relationships with non-grant funders of social business to ensure that we remain up-to-date with developments in this sector and that we understand the role that social enterprise can have in tackling issues of poverty, sickness and distress.
- Attend appropriate national and international conferences, as appropriate and to support Trustees to be involved in these where their support is both preferable and possible.

ANDREWS CHARITABLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2012 (continued)

Plans for future periods (continued)

To ensure that our public information is up to date, accessible and attractive to potential applicants

- Continue to develop and maintain our website.
- Conduct assessments of all unsolicited proposals and administrative rejections as well as establishing a watch list for applicants with potential.
- Further develop a pipeline of interesting proposals to move into the Pipeline for fuller assessment and consideration by trustees – target: at least 3 newly assessed organisations per quarter.
- Conduct other publicity events, which emphasise our successes and which help to clarify our interests to the outside world (e.g. Speak at conferences etc.).
- Develop case studies which further explain our work and publicise our successes on Restored, Carers Worldwide and new investees.

To work with investee partners to maximise the impact of our grants

- Develop contracts and negotiate ACT's inputs as part of that for 1-3 new grantees during the year.
- Continue to meet all investee organisations at least once a quarter and ensure that knowledge about their progress is communicated to trustees and any issues raised at the earliest opportunity.
- Facilitate trustee engagement with investee organisation's boards and ensure that ACT trustees entering into such a commitment are adequately trained and supported to undertake that role.

To deliver effective and efficient Trust governance, including its relationship with Andrews & Partners

- Organise, plan and run effective trustee meetings, quarterly.
- Support the annual audit, contribute to the annual report writing and support the Finance & Investments Committee, including preparing papers for meetings and writing minutes.
- Maintain up to date policies and risk assessment papers and ensure compliance with Charity Commission requirements.
- Contribute articles on the work of the Trust to Andrews & Partners' internal newsletter, Infoline.
- Attend Andrews and Partners Limited's branch managers' conference and respond to all correspondence regarding charitable involvement and contacts (especially for their clients).
- Facilitate and organise the first Andrews and Partners Limited's Director & Shareholding Trustees get together.

ANDREWS CHARITABLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2012 (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 the group and of the incoming resources and application of resources of the group 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 the group 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
11th July 2013

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 2012 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 11, 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 2012, 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 2012

	Note	2012 £	2011 £
INCOMING RESOURCES			
Incoming resources from generated funds			
Investment income	3	171,647	168,987
Donations received		1,790	500
Income of trading subsidiaries	4	29,526,058	27,839,967
TOTAL INCOMING RESOURCES		29,699,495	28,009,454
RESOURCES EXPENDED			
Cost of generating funds:			
Cost of trading subsidiaries	4	(28,725,952)	(27,826,464)
Costs of generating funds:			
Investment management costs	5	(730)	(1,440)
Charitable activities:			
Homelessness		(32,199)	(253,923)
Relief of poverty		-	(95,120)
Support of carers		(65,034)	-
Christian initiatives		(27,500)	-
Ending violence against women		(32,517)	-
Cost of grant making	6	(157,250)	(349,043)
Governance costs	9	(21,005)	(27,157)
TOTAL RESOURCES EXPENDED		(28,904,937)	(28,204,104)
NET INCOMING/(OUTGOING) RESOURCES BEFORE RECOGNISED GAINS AND LOSSES			
	10	794,558	(194,650)
Gains/(losses) on investment assets	12	71,332	(39,822)
Unrealised loss on revaluation of freeholds and investment property	11	(52,000)	(110,000)
Other recognised losses	4	-	(314,657)
Minority interests	20	(141,027)	694,719
NET MOVEMENT IN TRUST FUNDS		672,863	35,590
Balance brought forward at 1 January		8,381,375	8,345,785
BALANCE OF TOTAL TRUST FUNDS CARRIED FORWARD AT 31 DECEMBER	19	9,054,238	8,381,375

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 2012

	Note	2012 £	2011 £
INCOMING RESOURCES			
Incoming resources from generated funds:			
Investment income	3	457,993	386,637
Donations from staff of Andrews and Partners Limited		1,790	500
TOTAL INCOMING RESOURCES		<u>459,783</u>	<u>387,137</u>
RESOURCES EXPENDED			
Costs of generating funds:			
Investment management costs	5	(730)	(1,440)
Charitable activities:			
Homelessness		(32,199)	(253,923)
Relief of poverty		-	(95,120)
Support of carers		(65,034)	-
Christian initiatives		(27,500)	-
Ending violence against women		(32,517)	-
Cost of grant making	6	(157,250)	(349,043)
Governance costs	9	(21,005)	(27,157)
TOTAL RESOURCES EXPENDED		<u>(178,985)</u>	<u>(377,640)</u>
NET INCOMING RESOURCES BEFORE RECOGNISED GAINS AND LOSSES	10	<u>280,798</u>	<u>9,497</u>
Revaluation of investment property	11	(52,000)	(110,000)
Gains on investment assets	12	444,065	136,093
NET MOVEMENT IN FUNDS		672,863	35,590
Balance brought forward at 1 January		<u>8,381,375</u>	<u>8,345,785</u>
BALANCE OF TOTAL TRUST FUNDS CARRIED FORWARD AT 31 DECEMBER	19	<u>9,054,238</u>	<u>8,381,375</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 2012

	Note	2012	2011
		£	£
FIXED ASSETS			
Tangible assets	11	6,910,994	6,794,729
Investments	12	901,034	869,702
		7,812,028	7,664,431
CURRENT ASSETS			
Debtors	13	1,972,166	1,898,952
Cash at bank and in hand		7,206,043	5,794,674
		9,178,209	7,693,626
CREDITORS: amounts falling due within one year	14	(4,028,784)	(3,971,274)
CLIENT MONIES ACCOUNTS			
Cash at Bank		10,118,171	9,712,175
Cash due to clients		(10,118,171)	(9,712,175)
NET CURRENT ASSETS		5,149,425	3,722,352
TOTAL ASSETS LESS CURRENT LIABILITIES		12,961,453	11,386,783
CREDITORS: amounts falling due after one year	15	(1,223,306)	(497,487)
Provisions for liabilities and charges	16	(370,644)	(335,683)
NET ASSETS		11,367,503	10,553,613
FUNDS			
Unrestricted charitable funds	19	2,940,320	2,640,190
Non-charitable trading funds	19	6,113,918	5,741,185
TOTAL TRUST FUNDS		9,054,238	8,381,375
Minority Interests	20	2,313,265	2,172,238
TOTAL FUNDS		11,367,503	10,553,613

The financial statements on pages 14 to 35 were approved by the Board of Trustees on 11th July 2013 and were signed on its behalf by

Andrew Radford
Chair

ANDREWS CHARITABLE TRUST

TRUST BALANCE SHEET - 31 DECEMBER 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	11		1,638,000		1,690,000
Investments	12		<u>6,894,931</u>		<u>6,450,866</u>
			8,532,931		8,140,866
CURRENT ASSETS					
Cash at bank and in hand		331,899		337,453	
Debtors	13	<u>291,210</u>		<u>4,756</u>	
		623,109		342,209	
CREDITORS: amounts falling due within one year	14	<u>(101,802)</u>		<u>(101,700)</u>	
NET CURRENT ASSETS			<u>521,307</u>		<u>240,509</u>
TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS			<u>9,054,238</u>		<u>8,381,375</u>
FUNDS					
Unrestricted funds	19		<u>9,054,238</u>		<u>8,381,375</u>

The financial statements on pages 14 to 35 were approved by the Board of Trustees on 11th July 2013 and were signed on its behalf by

Andrew Radford
Chair

ANDREWS CHARITABLE TRUST

CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31st DECEMBER 2012

	Note	2012	2011
		£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	22	2,172,309	1,059,430
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		315,726	215,620
Interest paid		<u>(81,133)</u>	<u>(75,105)</u>
Net cash inflow from investments and servicing of finance		234,593	140,515
TAXATION PAID		(1,563)	(48,150)
CAPITAL EXPENDITURE			
Purchase of tangible fixed assets		(1,213,400)	(860,619)
Sale of tangible fixed assets		92,117	51,538
Purchase of own shares		<u>-</u>	<u>(69,375)</u>
Net cash outflow for capital expenditure		(1,121,283)	(878,456)
FINANCING			
Debenture and other loans		<u>127,313</u>	<u>42,870</u>
Net cash inflow from financing		<u>127,313</u>	<u>42,870</u>
Increase in cash in the year		<u>1,411,369</u>	<u>316,209</u>

Reconciliation of net cash flow to movement in net funds

	£
Increase in cash in the year	1,411,369
Net funds at 1 January 2012	5,794,674
Net funds at 31 December 2012	<u>7,206,043</u>

	1 January 2012	Cash Flow	31 December 2012
	£	£	£
Cash in hand and at bank	5,794,674	1,411,369	7,206,043
Debt due within one year	(1,062,266)	598,506	(463,760)
Debt due after one year	(497,487)	(725,819)	(1,223,306)
	<u>4,234,921</u>	<u>1,284,056</u>	<u>5,518,977</u>

ANDREWS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012

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 2012. The basis of consolidation is on a line by line basis. Minority Interests represent the 27.45% 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 2012
(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) Funds

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 2012
(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 2012
(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>2012</u>	<u>2011</u>
Group	<u>£</u>	<u>£</u>
Group investment income	171,647	168,987
Trust	<u>2012</u>	<u>2011</u>
	<u>£</u>	<u>£</u>
Group investment income	171,647	168,987
Donations from Andrews & Partners Ltd	286,346	217,650
Trust investment income	457,993	386,637

ANDREWS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012
(continued)

4. **INCOME OF TRADING SUBSIDIARIES**

The Trust has a 72.55% 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
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 2012 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 2012</u>	<u>31st December 2011</u>
<u>Profit and Loss Account</u>	<u>£</u>	<u>£</u>
Income of trading subsidiaries – turnover	29,526,058	27,839,967
Administration expenses	(28,683,915)	(27,960,735)
Other operating income	48,106	51,191
Interest receivable	318,565	255,508
Interest payable	(81,133)	(75,105)
Taxation (note 18)	(219,233)	(14,973)
Amount donated to other charities	(108,342)	(82,350)
Cost of trading subsidiaries	(28,725,952)	(27,826,464)
Amount donated to Andrews Charitable Trust	(286,346)	(217,650)
Profit/(loss) for the financial year	513,760	(204,147)
Purchase of own shares	-	(69,375)
Unrealised loss on revaluation of freeholds	-	(245,282)
Total recognised gains/(losses) in year	513,760	(518,804)
Amount attributable to subsidiary's minority shareholders (note 20)	141,027	(142,412)
Amount attributable to the Trust (note 19)	372,733	(376,392)
	513,760	(518,804)

ANDREWS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012
(continued)

5. INVESTMENT MANAGEMENT COSTS

Group and Trust

	<u>2012</u>	<u>2011</u>
	<u>£</u>	<u>£</u>
Professional fees re investment property	730	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>2012</u>	<u>Total</u> <u>2011</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Ending violence against women	25,000	7,517	32,517	-
Support of carers	50,000	15,034	65,034	20,000
Christian initiatives	20,000	7,500	27,500	-
Relief of poverty	-	-	-	75,120
Homelessness	-	32,199	32,199	253,923
Total	95,000	62,250	157,250	349,043

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 (2011 nil). The grants made were as follows:

Group and Trust	<u>2012</u>	<u>2011</u>
	<u>£</u>	<u>£</u>
<u>Ending violence against women</u>		
Restored	25,000	-
<u>Support of carers</u>		
Carers Worldwide	50,000	20,000
<u>Christian initiatives:</u>		
The Christian Initiative Trust	20,000	-
<u>Relief of poverty:</u>		
Excellent Development	-	63,142
<u>Homelessness:</u>		
SPAN	-	114,774
Survive	-	35,948
Community Resolve	-	20,273
Orbit	-	4,720
Shelter	-	42,563
	-	218,278
	95,000	301,420

ANDREWS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012

(continued)

8. **SUPPORT COSTS**

Trust

A dissemination of what was learned from the Bristol homelessness programme was carried out in the year and is included in support costs allocated 100% to charitable activities. Similarly, the strategy meeting costs of a Christian charity, Ekklesia, were paid for and are 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 2012</u>	<u>Total allocated 2011</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Staff costs	Staff time	36,852	9,213	46,065	46,972
Office costs	Staff time	3,954	988	4,942	7,307
Dissemination	Project	19,957	-	19,957	-
Ekklesia strategy	Project	1,487	-	1,487	-
Evaluation	Project	-	-	-	4,200
Total		62,250	10,201	72,451	58,479

9. **ANALYSIS OF GOVERNANCE COSTS**

Trust

	<u>2012</u>	<u>2011</u>
	<u>£</u>	<u>£</u>
Staff costs	9,213	9,395
Office costs	988	1,461
Audit fee (including irrecoverable VAT)	9,060	9,240
Trustee expenses	944	632
Meeting expenses	-	5,615
Other costs	800	814
	21,005	27,157

ANDREWS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012
(continued)

10. **NET INCOMING RESOURCES**

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

	<u>2012</u>	<u>2011</u>
	£	£
Interest payable on:		
Bank loans and overdrafts [Trust: £Nil]	-	9,248
Other loans [Trust: £Nil]	81,133	65,857
	81,133	75,105
Profit on sale of fixed assets [Trust: £Nil]	(30,082)	(19,651)
Depreciation – owned assets [Trust: £Nil]	983,100	1,056,978
Auditors' remuneration:		
-audit fees [Trust:£7,550 (2011: £7,550)]	38,750	38,750
-taxation fees [Trust: £Nil]	27,400	26,700
-pension review [Trust: £Nil]	-	7,600
-other required by legislation	8,250	21,550
Operating lease charges-land and buildings [Trust: £Nil]	1,145,842	1,141,052

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>
	£	£	£	equipment	£	£
	£	£	£	£	£	£
<u>At cost/valuation</u>						
1 January 2012	1,690,000	3,012,966	248,961	4,592,395	2,337,245	11,881,567
Additions	-	-	90,000	524,944	598,456	1,213,400
Disposals	-	-	(53,892)	-	(396,648)	(450,540)
Revaluation	(52,000)	-	-	-	-	(52,000)
31 December 2012	1,638,000	3,012,966	285,069	5,117,339	2,539,053	12,592,427
<u>Analysis</u>						
At cost	-	-	234,569	5,117,339	2,539,053	7,890,961
At valuation	1,638,000	3,012,966	50,500	-	-	4,701,466
	1,638,000	3,012,966	285,069	5,117,339	2,539,053	12,592,427
<u>Accumulated depreciation</u>						
1 January 2012	-	19,466	146,593	3,522,782	1,397,997	5,086,838
Charge for year	-	40,173	19,856	585,731	337,336	983,096
Disposals	-	-	(53,892)	-	(334,609)	(388,501)
31 December 2012	-	59,639	112,557	4,108,513	1,400,724	5,681,433
<u>Net book amounts</u>						
31 December 2012	1,638,000	2,953,327	172,512	1,008,826	1,138,329	6,910,994
31 December 2011	1,690,000	2,993,500	102,368	1,069,613	939,248	6,794,729

ANDREWS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012
(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 2012 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 2012 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 2012 the historical cost of the revalued freehold premises was £2,259,543 (2011: £2,259,543) and short leasehold premises £50,500 (2011: £50,500). At 31 December 2012 the historical net book value of the revalued freehold premises was £1,398,637 (2011: £1,428,764); short leasehold premises £37,536 (2011: £38,977) and investment property £425,000 (2011: £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 (2011: £50,000). At present it is not envisaged that any tax will become payable in the foreseeable future. There were no capital commitments at 31 December 2012 (31 December 2011: nil).

Note of group historical cost net movements in funds

	<u>2012</u>	<u>2011</u>
	£	£
Reported net movements in funds for the year	672,863	35,590
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amounts	(30,127)	(30,127)
Historical cost net movements in funds for the year	<u>642,736</u>	<u>5,463</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 2012
(continued)

11. TANGIBLE FIXED ASSETS (continued)
Trust

	<u>Investment Property</u> £
<u>At cost/valuation</u>	
1 January 2012	1,690,000
Revaluation in year	<u>(52,000)</u>
31 December 2012	<u>1,638,000</u>
<u>Analysis</u>	
At valuation	<u>1,638,000</u>
<u>Accumulated depreciation</u>	
1 January 2012 and 31 December 2012	-
<u>Net book amounts</u>	
31 December 2012	<u>1,638,000</u>
31 December 2011	<u>1,690,000</u>

12. INVESTMENTS

Group	<u>Market Value</u> <u>2012</u> £	<u>Market Value</u> <u>2011</u> £	<u>Cost</u> <u>2012</u> £	<u>Cost</u> <u>2011</u> £
<u>Quoted investments:</u>				
The Equities Investment Fund for Charities	780,033	708,695	617,498	617,498
Banco Santander (note 12(ii))	980	986	-	-
	781,013	709,681	617,498	617,498
<u>Unquoted investments in associated company:</u>				
Mortgage Options (Partnership Division) Limited	120,021	160,021	200,021	200,021
<u>Total investments</u>	901,034	869,702	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 2012
(continued)

12. INVESTMENTS (continued)

Trust	Percentage Of class of Shares held	<u>Market Value 2012</u> £	<u>Market Value 2011</u> £	<u>Cost 2012</u> £	<u>Cost 2011</u> £
Unquoted investments:					
Andrews and Partners Limited (note 12 (i))	72.55	6,113,918	5,741,185	6,388	6,388
Quoted investments:					
The Equities Investment Fund For Charities		780,033	708,695	617,498	617,498
Banco Santander (note 12 (ii))		980	986	-	-
		<u>781,013</u>	<u>709,681</u>	<u>617,498</u>	<u>617,498</u>
TOTAL		<u>6,894,931</u>	<u>6,450,866</u>	<u>623,886</u>	<u>623,886</u>
		<u>Group 2012</u> £	<u>Trust 2012</u> £	<u>Group 2011</u> £	<u>Trust 2011</u> £
Market value at beginning of year		709,681	6,450,866	749,503	6,314,773
(Loss)/gain on revaluation		71,332	444,065	(39,822)	136,093
Market value at end of year		<u>781,013</u>	<u>6,894,931</u>	<u>709,681</u>	<u>6,450,866</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% 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 2012 the Group reported a turnover of £29,526,058 (2011: £27,839,967) and a profit after tax for the financial year of £513,760 (2011: profit of £204,147). At 31 December 2012 the capital and reserves of the Group amounted to £8,427,183 (2011: £7,913,423).
- (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 2012

(continued)

13. DEBTORS

	<u>Group</u> <u>2012</u>	<u>Trust</u> <u>2012</u>	<u>Group</u> <u>2011</u>	<u>Trust</u> <u>2011</u>
	£	£	£	£
Gift aid donation receivable	-	286,346	-	-
Trade debtors	1,007,621	-	832,456	-
Other debtors	172,423	-	137,656	-
Prepayments and accrued income	563,975	4,864	566,629	4,756
Corporation tax	-	-	8,455	-
Deferred tax asset (note 24)	228,147	-	353,756	-
	<u>1,972,166</u>	<u>291,210</u>	<u>1,898,952</u>	<u>4,756</u>

14. CREDITORS: Amounts falling due within one year

	<u>Group</u> <u>2012</u>	<u>Trust</u> <u>2012</u>	<u>Group</u> <u>2011</u>	<u>Trust</u> <u>2011</u>
	£	£	£	£
Trade creditors	436,112	-	405,829	-
Outstanding pension contributions	120,267	-	96,190	-
Taxation and social security	1,444,117	-	1,415,697	-
Accruals and deferred income	1,311,080	40,302	929,792	40,200
Other creditors	61,500	61,500	61,500	61,500
Proposed gift aid donation	108,342	-	-	-
Debenture loan	20,000	-	695,721	-
Loan repayments due within 12 months	443,760	-	366,545	-
Corporation tax	83,606	-	-	-
	<u>4,028,784</u>	<u>101,802</u>	<u>3,971,274</u>	<u>101,700</u>

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

	<u>Group</u> <u>2012</u>	<u>Group</u> <u>2011</u>
	£	£
Debenture loan – amount due between one and two years	21,000	-
Debenture loan – amount due between one and two years	630,163	-
Other loans – amount due between one and two years	327,486	296,247
Other loans – amount due between two and five years	<u>244,657</u>	<u>201,240</u>
	<u>1,223,306</u>	<u>497,487</u>

The debenture loan is secured on two of the freeholds of Andrews Estate Agents Limited. Repayment of capital is over 20 years from July 2012 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%. In 2011 the debenture loan was all shown in creditors falling due within one year because of a technical breach of one of the loan covenants.

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 2012
(continued)

16. PROVISIONS FOR LIABILITIES AND CHARGES

The Group	Clawback Provision (Note (i)) £	Surveying Claims (Note (ii)) £	Total £
At 1 January 2012	226,040	109,643	335,683
Utilised in the year	(102,576)	(30,346)	(132,922)
Provided in the year	98,929	68,954	167,883
At 31 December 2012	222,393	148,251	370,644

(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>2012</u> <u>Number</u>	<u>2011</u> <u>Number</u>
The average number of persons employed by the group was:-		
Estate Agency	223	202
Other activities	292	277
Charitable activities (employed by the Trust)	1	1
	516	480

Group

	<u>2012</u> £	<u>2011</u> £
Salaries	16,051,994	15,205,148
Social security costs	1,727,824	1,642,812
Defined contribution pension scheme contributions	579,953	611,620
	18,359,771	17,459,580

ANDREWS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012
(continued)

17. STAFF COSTS AND EMPLOYEES (continued)

Trust	<u>2012</u>	<u>2011</u>
	£	£
Salaries	39,533	40,327
Social security costs	3,732	3,845
Defined contribution pension scheme contributions	2,800	2,800
	<u>46,065</u>	<u>46,972</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 (2011: £ 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>2012</u>	<u>2011</u>
	£	£
UK corporation tax charge/(credit) based on the profit/(loss) for the year adjusted for tax purposes:		
- current year at 24.5% (26.5%)	94,106	(8,455)
- prior year overprovision	(482)	(5,840)
Total current tax charge/(credit)	<u>93,624</u>	<u>(14,295)</u>
Deferred tax - prior year	(11,610)	1,357
Deferred tax –effect of rate change	22,190	28,272
Deferred tax –current year	<u>115,029</u>	<u>(361)</u>
Tax on profit/(loss) on ordinary activities	<u>219,233</u>	<u>14,973</u>

The tax for the period is lower (2011: higher) than the standard rate of corporation tax in the UK (24.5%). The differences are explained below:

	<u>2012</u>	<u>2011</u>
	£	£
Profit/(loss) on ordinary activities at the UK tax rate at 24.5%	179,583	(50,131)
<i>Effects of:</i>		
Utilisation of losses	22,665	(10,500)
Expenses not deductible for tax purposes	(56,025)	41,198
Rate change	(2,909)	20
Accelerated capital allowances / other timing differences	9,795	361
Amortisation of investment	(59,003)	10,597
Adjustments in respect of previous periods	<u>(482)</u>	<u>(5,840)</u>
Total current tax charge/(credit)	<u>93,624</u>	<u>(14,295)</u>

ANDREWS CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012
(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>2012</u>	<u>Total</u> <u>2011</u>
	£	£	£	£
Balance at 1 January	2,640,190	5,741,185	8,381,375	8,345,785
Effect of decrease in minority interest	-	-	-	552,307
Profits retained in subsidiaries attributable to the Trust (note 4)	-	372,733	372,733	(376,392)
Net Movement in funds	300,130	-	300,130	(140,325)
Balance at 31 December	<u>2,940,320</u>	<u>6,113,918</u>	<u>9,054,238</u>	<u>8,381,375</u>

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

20. RECONCILIATION OF MOVEMENT IN MINORITY INTERESTS

	<u>Minority Interests</u> <u>£</u>
Balance at 1 January 2012	2,172,238
Profits retained in subsidiaries attributable to minority interests (note 4)	141,027
Movement in year	141,027
Balance at 31 December 2012	<u>2,313,265</u>

21. CONTINGENT LIABILITIES

At 31 December 2012 grants sanctioned by the Trustees but not yet spent amounted to £95,000 (31 December 2011: £Nil). The group had no other contingent liabilities.

Movements on Grant commitments

Grant commitments at 1 January 2012	-
Add: grants approved in year	200,000
Less: paid in year	(95,000)
Grant commitments at 31 December 2012	<u>105,000</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 2012
(continued)

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

	<u>2012</u>	<u>2011</u>
	£	£
Net incoming/(outgoing) resources for the year	794,558	(194,650)
Net interest receivable	(237,432)	(180,403)
Taxation charge	219,233	14,973
Operating result	776,359	(380,080)
Amortisation charges	40,000	40,000
Depreciation charges	983,096	1,056,978
Net profit on sale of tangible fixed assets	(30,082)	(19,651)
Increase in debtors	(204,439)	(16,731)
Increase in creditors	572,414	327,760
Increase in provision for liabilities and charges	34,961	31,154
Net cash inflow from operating activities	2,172,309	1,059,430

23. TRUSTEES' AND EMPLOYEES' REMUNERATION

No Trustee received any remuneration from the Trust during the year (2011: Nil). Four Trustees received reimbursement of travel expenses totalling £944 (2011: four trustees £632).

24. DEFERRED TAXATION

Breakdown of deferred tax debtor in note 13:

	<u>2012</u>	<u>2011</u>
	£	£
The Group		
Accelerated capital allowances	326,179	184,306
Losses	12,025	139,805
Other timing differences	(110,057)	29,645
	228,147	353,756

Reconciliation of movement in deferred tax during the year:

At 1 January 2012	353,756
Profit and loss – prior year (note 18)	11,610
Effect of rate change	(22,190)
Profit and loss – current year (note 18)	(115,029)
At 31 December 2012	228,147

ANDREWS CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012

(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 Buildings</u> <u>2012</u> £	<u>Land and Buildings</u> <u>2011</u> £
Expiring within one year	358,630	412,143
Expiring between one and five years	576,837	468,420
Expiring after five years	163,794	218,214
	<hr/> 1,099,261	<hr/> 1,098,777

The Trust itself had no operating lease commitments at 31 December 2012 or 31 December 2011.

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>
P Heal	Andrews and Partners Limited
A Radford	Andrews and Partners Limited
M Robson	Andrews and Partners Limited
N Wright	Andrews and Partners Limited

Investment income of £286,346 was receivable in 2012 from Andrews and Partners Limited (2011: £217,650). The £286,346 gift aid donation from Andrews and Partners Limited relating to 2012 was paid in May 2013 and so was in debtors at 31 December 2012.

<u>Trustee</u>	<u>Organisation</u>
M Robson	The Christian Initiative Trust
D Saint	The Christian Initiative Trust
D Westgate	The Christian Initiative Trust
N Wright	The Christian Initiative Trust

A grant of £20,000 (2011: nil) was paid to The Christian Initiative Trust during the year towards their Mustard Seeds Awards.

There were no balance sheet amounts due or owing to any related parties at 31 December 2011.