

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

**CONSOLIDATED ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**31 DECEMBER 2013**

## 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 until 10 <sup>th</sup> April 2014, resigned as trustee on 1 <sup>st</sup> May 2014)
P Heal	(Chair of Trustees from 10 <sup>th</sup> April 2014)
H Battrick	
N Colloff	(resigned 8 <sup>th</sup> October 2013)
E Hughes	
A Jackson	
A Page	
D Saint	(resigned 10 <sup>th</sup> April 2014)
C Chapman	(working Director of Andrews & Partners Ltd)
M Robson	(working Director of Andrews & Partners Ltd)
D Westgate	(working Director of Andrews & Partners Ltd)
N Wright	(Treasurer and working Director of Andrews & Partners Ltd)

#### **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](mailto:info@Andrewscharitabletrust.org.uk)  
Telephone number (0117) 9461834

#### **Website**

[www.andrewscharitabletrust.org.uk](http://www.andrewscharitabletrust.org.uk)

#### **Bankers**

CAF Bank 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**

MA Brett Surveyors Limited  
14 Bushwood  
Leytonstone  
London  
E11 3AY

## ANDREWS CHARITABLE TRUST

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013

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 23<sup>rd</sup> February 1965. Originally called “The Phyllis Trust”, the name was changed on 12<sup>th</sup> March 1987 to “World in Need” and changed again on 1<sup>st</sup> December 2004 to “Andrews Charitable Trust”. The Trust name is now commonly abbreviated to “ACT”.

On 7<sup>th</sup> 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 between nine and 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 31<sup>ST</sup> DECEMBER 2013 (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 January 2014, during the risk review, there were no major risks identified that had a risk grading of high. The major risks such as investment strategy, failure of projects that receive funding (so not achieving our objectives), reliance on the Director and fraud all 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), the Social Impact Investment Group (SIIG), the Christian Funders Forum 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 the Trust:

- Searches out and receives proposals from people or groups with innovative ideas to address issues of sickness, poverty and distress and provides seed corn funding in the early stages of a new venture organisation.
- Looks for visionary 'champions', social entrepreneurs with the capability, competence, passion and practical ability to translate vision into reality;
- 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. It promotes good business planning and looks for business models that are sustainable in the long term through a diversified income generation strategy – increasingly with a mix of trading and fundraising activity.

In making any decision whether to support a proposed organisation, 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 31<sup>ST</sup> DECEMBER 2013 (continued)

#### Procedures and policy for grant making

The main vehicle for finding new work to support is our website - [www.andrewscharitabletrust.org.uk](http://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 is planned for October 2014 in order to define our strategy for the next 3-5 years. The key criteria which are currently used in the assessment of proposals are 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 contract letter is exchanged. This 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. 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. The trustee involvement is usually offered to organisations that we support as an additional member for their board of trustees (or non-executive Director) and every effort is made to select a trustee that will be a valuable addition to their board. In addition, where specialist expertise cannot be provided by the Trust, provision can also be bought in, as appropriate.

The Trust Director and Trustee that is involved become engaged with the project at all appropriate strategic management levels and they provide verbal reports to the Andrews Charitable Trust board quarterly, as a supplement to the written quarterly reports requested by the organisation itself. The Trust's commitment (grant size/years) is guided by the project proposal, but it is always reviewed annually in light of the intentions of the contract between us. Occasionally, this may result in requests for additional funding.

## ANDREWS CHARITABLE TRUST

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013 (continued)

#### Procedures and policy for grant making (continued)

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.

Contracts are honoured for the entire duration subject to the terms of the contract being met and on the basis of annual reviews, which may result in changes to the performance targets being made. However, incidence of deception, especially on financial matters, can result in immediate cessation of the contract.

#### Achievements and performance of the Trust

During 2013, the Trust was well into its implementation phase for the revised funding criteria. The Director was tasked with networking, raising its profile and reach to find, attract and increase the quality of applicants to the trust.

In order to manage an increasing number of applications, 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.

Through this process the Trust received a total of 229 applications. Unfortunately the large majority of unsolicited proposals remain outside of our criteria (78% of all applications in 2013 compared to 80% in 2012). That said, a total of 54 proposals were put onto the Watch List to be considered in more detail by the Director throughout the year. Of those, 12 were considered to be in line with our criteria and in fields where the Director felt that we had capacity and ability to add significant value through a combination of financial and human resource input. All these written proposals were then considered by Trustees who then selected 8 for formal assessment (which is done through a formal meeting attended by the Director and at least one Trustee, but usually two). Of these, three new organisations went forward to present their proposals to the full board in person. All three were awarded funding in 2013. These were:

- 2<sup>nd</sup> Chance – a commitment of £200,000 spread over a two year period 2013-15.
- Dementia Adventure – a six month business planning grant of £15,000 covering 2013-14.
- Ekklesia – a commitment of £155,000 spread over 4 years 2013-16.

## ANDREWS CHARITABLE TRUST

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013 (continued)

#### Achievements and performance of the Trust (continued)

The total grants actually paid in 2013 were as follows:

Advantage Africa		5,000
Restored		85,000
2nd Chance		25,000
Carers Worldwide		25,000
Christian Initiative Trust		20,000
Dementia Adventure		7,500
Ekklesia		16,250
<b>Total</b>		<b>£183,750</b>

The above grant payments were given as part of the following commitments that were approved during the year. All commitments are made, conditional to the usual contract requirements which are reviewed annually to ensure that progress is being made against the KPI's agreed as part of the contract. ACT reserves the right to withdraw if progress is not being made sufficiently, although regular support and monitoring visits endeavour to ensure that no surprises are left to the annual review points. The full list of funding commitments made in the year are:

- Start up funding of £200,000 was approved for the period 2013 to 2015 for a new charitable organisation called 2<sup>nd</sup> Chance. This new organisation has been established to support better chances for 18-24 year olds who have left school without qualifications and are unable to get a job. They intend to provide literacy and numeracy skills in a safe environment that also supports them to gain better employment skills and attitudes. The investment has been made alongside considerable start-up funding provided by the co-founders and a further investment grant from Impetus – the Private Equity Foundation. We have also earmarked an additional year's funding, should the two year pilot project look likely to provide a good model for wider replication.
- Core funding of £155,000 over four years was approved for the Christian think tank, Ekklesia. This organisation is an independent, not-for-profit think tank which examines the role of beliefs, values and faith in public life. It advocates transformative ideas and solutions rooted in a strong commitment to social justice, Christian non-conformism, non-violence, and creative conversations among those of different convictions (religious and otherwise).
- A small business planning grant was approved for Dementia Adventure CIC. This social enterprise approached us for £15,000 to enable them to further develop their longer term strategy and to produce financial projections to enable them to grow over the next 3-5 years. This is with a view to them returning with a further investment funding request in 2014.

In addition to these new projects, continuation funding or new commitments were made to the following organisations:

- Carers Worldwide – a final grant of £25,000 was provided to this new charity set up to act as a catalyst to encourage better development and support opportunities for carers living in developing countries. Set up with initial research and set up funding from ACT, Carers Worldwide is now working in 3 states in India and is developing partnerships in South Africa and Nepal.
- Restored Relationships – continued with our contract providing a total of £85,000 in the year. Restored are set up to tackle violence against women. Their 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.

## ANDREWS CHARITABLE TRUST

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013 (continued)

#### Achievements and performance of the Trust (continued)

- 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 a further grant for the 2013 awards of £20,000. Further information about the Awards can be found on the CIT website.

In addition to these grants, a small grant of £5,000 was given to Advantage Africa to mark the departure from the board by David Saint, an ACT Trustee who has supported their work and sat on their board of trustees since the beginning of ACT funding in 2005.

ACT also hosted a Christian consultation meeting with twenty innovative Christian thinkers and opinion formers, in order to discuss how we might better address our first objective, as distinct from our second objective. The following next steps were agreed at this meeting:

- Revise our website to reflect a more Christian trust which actively encourages Christian organisations to apply – whilst retaining our current venture philanthropy approach in supporting new or emerging ventures.
  - Strategise on how to bring the wider board of trustees along with us on the discussion, perhaps as part of the planned strategy review day in 2014.
  - Ensure that any alteration to our current way of grant-making is then reflected in our strategy and ensure that clear guidelines are produced, if this is the case.
  - Explore a number of possible options for specific activity and possibly re-group with the consultation group to consider how this more pro-active designing of a project might be coordinated, co-funded and implemented.
  - Continue to look for projects using our existing criteria that meet the first objective, like Ekklesia.
- Finally, but importantly, preparations were made for the handover of the Chairmanship of the Trust after Andrew Radford's extended period at the helm. Andrew personally oversaw the consultation and election of Paul Heal as the new chair, and handed over to Paul in May 2014 when he resigned as a Trustee.

#### 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 & Partners Ltd, the quoted investments and the investment property are held for the generation of income for the Trust. These comprise £9.82m (2012: £8.53m) 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 2013 the actual level of net current assets reserves was £873,560 (2012: £521,307) which was in excess of future grant commitments of £341,250 (2012: £105,000). Trustees are comfortable with this level of reserves bearing in mind the cyclical market place in which Andrews & 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 & Partners Ltd is special, as the founder of the Company, Cecil Jackson-Cole, was later to become the original settlor of ACT and he

## ANDREWS CHARITABLE TRUST

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013 (continued)

#### Financial Review, investment policy and reserves (continued)

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 & Partners Limited's staff to contribute to the charitable endeavour. Trustees would like to thank the Directors and staff of Andrews & Partners Ltd for their continued interest, support and practical assistance to the work of the Trust. The fact that Andrews & 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 & 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.

During 2013, the first meeting of the charity shareholders with the Board of Directors of Andrews & Partners Ltd was held. This was a landmark meeting to enable the Directors to present their strategy for the business and for the shareholders to ask questions. It was resolved to hold similar meetings every 2-3 years when issues around the shareholding, the shareholders' directive and the relationship between the business and its owners can be furthered.

#### b) Investment Policy and Objectives (continued)

In order to reduce the financial dependence of the Trust on Andrews & 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 £936,769 (2012: £781,013) and the investment property had a market value of £1,870,000 (2012: £1,638,000 at 31<sup>st</sup> December 2013).

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 8% 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 & Partners Ltd is in respect of their year ended 31 December 2013. Group turnover for 2013 was £32,079,933 which was 8.6% up on the 2012 figure of £29,526,058. A profit for the financial year was reported in 2013 of £815,251 compared to a profit of £513,760 in 2012. A gift aid donation of £425,460 was receivable from Andrews in the year (2012: £286,346). As detailed in the investment policy and objectives, Trustees acknowledge that Andrews & 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 & Partners Ltd has averaged 10.3% pa compared to 14.3% pa total return on the FSTE All-Share index. The total return on Andrews & Partners Ltd was actually better than the FTSE All-Share both last year and over the last cumulative three year period. The relative underperformance over the five year period was due to stronger performance by the FTSE All-Share in 2009-10 when it was a difficult time for the property market. With the improved recent results, Trustees are confident that Andrews & Partners Ltd relative performance will improve in the coming year.

The investment property was revalued at 31 December 2013 and the valuation was £232,000 more than at 31 December 2012. The rental income during 2013 was £131,000 (2012: £131,000) which made the yield on the investment property in the year 8%, in line with 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 2013, increasing the net assets of the Trust by £155,601 (2012: increase of £71,338). Dividends from this investment in 2013 were £41,444 (2012: £40,119).

## **ANDREWS CHARITABLE TRUST**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013 (continued)**

#### **Investment performance against the investment objectives set (continued)**

The total return on the investment in 2013 was plus 25% compared to the benchmark of plus 20.8% 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 increased during the year from £980 to £1,135.

#### **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 identifying new initiatives, including discussions with other funders***

- To undertake a full strategic review with the whole board of trustees in the autumn of 2014
- Continue to build on and develop relationships with other funders initiated in 2012 and 2013
- 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)
- Build relationships with investors in social businesses to ensure that we understand the role that social enterprise can have in tackling issues of poverty, sickness and distress and whether or not we wish to invest in social enterprise as grant funders only or under other terms also.

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

- Continue to develop and maintain our website.
- To improve and make more efficient our assessment of all unsolicited proposals and administrative rejections as well as establishing a watch list for applicants with potential.
- To continue to develop a pipeline of interesting proposals for assessment and consideration by trustees – target: at least 3 organisations per quarter.
- Develop case studies which further explain our work and publicise our successes.

##### ***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***

- Ensure a smooth handover of the Chair of the Board from Andrew Radford to Paul Heal
- Successfully recruit 3-4 new trustees during 2014 in time for them to be involved in the strategy review planned for the autumn. Ensure that they are all appropriately and well inducted into the work of the trust.
- 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 Ltd's internal newsletter, Infoline.
- Attend Andrews & Partners Ltd's branch manager's conference and respond to all correspondence regarding charitable involvement and contacts (especially for their clients).

## **ANDREWS CHARITABLE TRUST**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013 (continued)**

#### **Statement of Trustees' Responsibilities**

The Trustees are responsible for preparing the Report of 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 are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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:

Paul Heal  
Chair of Trustees  
10<sup>th</sup> July 2014

# **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ANDREWS CHARITABLE TRUST**

## **Report on the financial statements**

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### ***Our opinion***

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2013 and of the group's incoming resources and application of resources and the group's 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 section 144 of the Charities Act 2011 and Regulation 15 of The Charities (Accounts and Reports) Regulations 2008.

This opinion is to be read in the context of what we say in the remainder of this report.

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### ***What we have audited***

The group financial statements and the parent financial statements ("the financial statements"), which are prepared by Andrews Charitable Trust, comprise:

- the group and parent charity balance sheet as at 31 December 2013;
- the group statement of financial activities for the year then ended;
- the group cash flow statement for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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### ***What an audit of financial statements involves***

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 the 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 non-financial information in the Group Annual Report and financial statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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

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**Other matters on which we are required to report by exception**

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***Adequacy of accounting records and information and explanations received***

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; 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.

We have no exceptions to report arising from this responsibility.

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***Other information in the Annual Report***

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

We have no exceptions to report arising from this responsibility.

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**Responsibilities for the financial statements and the audit**

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***Our responsibilities and those of the trustees***

As explained more fully in the Statement of Trustees' Responsibilities set out on page 11, the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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 ISAs (UK & 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.

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol, 31 July 2014

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 31<sup>ST</sup> DECEMBER 2013**

	Note	2013 £	2012 £
<b>INCOMING RESOURCES</b>			
<b>Incoming resources from generated funds</b>			
Investment income	3	172,924	171,647
Donations received		1,561	1,790
Income of trading subsidiaries	4	32,079,933	29,526,058
<b>TOTAL INCOMING RESOURCES</b>		<b>32,254,418</b>	<b>29,699,495</b>
<b>RESOURCES EXPENDED</b>			
<b>Cost of generating funds:</b>			
Cost of trading subsidiaries	4	(30,839,222)	(28,725,952)
<b>Costs of generating funds:</b>			
Investment management costs	5	(938)	(730)
<b>Charitable activities:</b>			
Homelessness		-	(32,199)
Relief of poverty		(6,076)	-
Support of carers		(30,379)	(65,034)
Christian		(44,050)	(27,500)
Education		(30,379)	-
Dementia		(9,114)	-
Ending violence against women		(103,289)	(32,517)
<b>Cost of grant making</b>	6	<b>(223,287)</b>	<b>(157,250)</b>
<b>Governance costs</b>	9	<b>(23,467)</b>	<b>(21,005)</b>
<b>TOTAL RESOURCES EXPENDED</b>		<b>(31,086,914)</b>	<b>(28,904,937)</b>
<b>NET INCOMING RESOURCES BEFORE RECOGNISED GAINS AND LOSSES</b>			
	10	1,167,504	794,558
Gains on investment assets	12	155,756	71,332
Unrealised gain/(loss) on revaluation of freeholds and investment property		658,440	(52,000)
Minority interests	20	(340,846)	(141,027)
<b>NET MOVEMENT IN TRUST FUNDS</b>		<b>1,640,854</b>	<b>672,863</b>
Balance brought forward at 1 January		9,054,238	8,381,375
<b>BALANCE OF TOTAL TRUST FUNDS CARRIED FORWARD AT 31 DECEMBER</b>	19	<b>10,695,092</b>	<b>9,054,238</b>

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 31<sup>ST</sup> DECEMBER 2013**

	Note	2013 £	2012 £
<b>INCOMING RESOURCES</b>			
<b>Incoming resources from generated funds:</b>			
Investment income	3	598,384	457,993
Donations from staff of Andrews & Partners Ltd		1,561	1,790
<b>TOTAL INCOMING RESOURCES</b>		<b>599,945</b>	<b>459,783</b>
<b>RESOURCES EXPENDED</b>			
<b>Costs of generating funds:</b>			
Investment management costs	5	(938)	(730)
<b>Charitable activities:</b>			
Homelessness		-	(32,199)
Relief of poverty		(6,076)	-
Support of carers		(30,379)	(65,034)
Christian		(44,050)	(27,500)
Education		(30,379)	-
Dementia		(9,114)	-
Ending violence against women		(103,289)	(32,517)
<b>Cost of grant making</b>	6	<b>(223,287)</b>	<b>(157,250)</b>
<b>Governance costs</b>	9	<b>(23,467)</b>	<b>(21,005)</b>
<b>TOTAL RESOURCES EXPENDED</b>		<b>(247,692)</b>	<b>(178,985)</b>
<b>NET INCOMING RESOURCES BEFORE RECOGNISED GAINS AND LOSSES</b>	10	<b>352,253</b>	<b>280,798</b>
Revaluation of investment property	11	232,000	(52,000)
Gains on investment assets	12	1,056,601	444,065
<b>NET MOVEMENT IN FUNDS</b>		<b>1,640,854</b>	<b>672,863</b>
Balance brought forward at 1 January		9,054,238	8,381,375
<b>BALANCE OF TOTAL TRUST FUNDS CARRIED FORWARD AT 31 DECEMBER</b>	19	<b>10,695,092</b>	<b>9,054,238</b>

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**  
**31<sup>ST</sup> DECEMBER 2013**

	Note		2013		2012
			£	Restated	Restated
			£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	11		8,267,802		6,910,994
Investments	12		1,016,790		901,034
			9,284,592		7,812,028
<b>CURRENT ASSETS</b>					
Debtors	13	1,623,133		1,972,166	
Cash at bank and in hand		9,382,545		7,206,043	
		11,005,678		9,178,209	
<b>CREDITORS:</b> amounts falling due within one year	14	(5,300,191)		(4,028,784)	
<b>NET CURRENT ASSETS</b>			5,705,487		5,149,425
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			14,990,079		12,961,453
CREDITORS: amounts falling due after one year	15		(1,229,657)		(1,223,306)
Provision for liabilities	16		(411,219)		(370,644)
<b>NET ASSETS</b>			13,349,203		11,367,503
<b>FUNDS</b>					
Unrestricted charitable funds	19		3,680,329		2,940,320
Non-charitable trading funds	19		7,014,763		6,113,918
<b>TOTAL TRUST FUNDS</b>			10,695,092		9,054,238
Minority Interests	20		2,654,111		2,313,265
<b>TOTAL FUNDS</b>			13,349,203		11,367,503

The financial statements on pages 14 to 35 were approved by the Board of Trustees on 10<sup>th</sup> July 2014 and were signed on its behalf by

Paul Heal  
Chair

**ANDREWS CHARITABLE TRUST**

**TRUST BALANCE SHEET - 31 DECEMBER 2013**

	Note	£	2013 £	£	2012 £
<b>FIXED ASSETS</b>					
Tangible assets	11		1,870,000		1,638,000
Investments	12		<u>7,951,532</u>		<u>6,894,931</u>
			9,821,532		8,532,931
<b>CURRENT ASSETS</b>					
Debtors	13	430,540		291,210	
Cash at bank and in hand		<u>545,064</u>		<u>331,899</u>	
		975,604		623,109	
<b>CREDITORS: amounts falling due within one year</b>					
	14	<u>(102,044)</u>		<u>(101,802)</u>	
<b>NET CURRENT ASSETS</b>					
			<u>873,560</u>		<u>521,307</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS</b>					
			<u>10,695,092</u>		<u>9,054,238</u>
<b>FUNDS</b>					
Unrestricted funds	19		<u>10,695,092</u>		<u>9,054,238</u>

The financial statements on pages 14 to 35 were approved by the Board of Trustees on 10<sup>th</sup> July 2014 and were signed on its behalf by

Paul Heal  
Chair

**ANDREWS CHARITABLE TRUST**

**CONSOLIDATED CASH FLOW STATEMENT**  
**YEAR ENDED 31st DECEMBER 2013**

	Note	2013		2012	
		£	£	£	£
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	22		3,443,956		2,172,309
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>					
Interest received		385,472		315,726	
Interest paid		<u>(88,112)</u>		<u>(81,133)</u>	
Net cash inflow from investments and servicing of finance			297,360		234,593
<b>TAXATION PAID</b>			(85,463)		(1,563)
<b>CAPITAL EXPENDITURE</b>					
Purchase of tangible fixed assets		(1,618,409)		(1,213,400)	
Sale of tangible fixed assets		<u>(88,112)</u>		<u>92,117</u>	
Net cash outflow for capital expenditure			(1,526,162)		(1,121,283)
<b>FINANCING</b>					
Debenture loan	<u>46,811</u>			<u>127,313</u>	
Net cash inflow from financing			<u>46,811</u>		<u>127,313</u>
<b>Increase in cash in the year</b>			<u>2,176,502</u>		<u>1,411,369</u>
<b><u>Reconciliation of net cash flow to movement in net funds</u></b>					
Increase in cash in the year			£ 9,382,545		
Net funds at 1 January 2013			7,206,043		
Net funds at 31 December 2013			<u>2,176,502</u>		

## ANDREWS CHARITABLE TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013

#### 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 other than in respect to client monies, are set out below:-

##### 1) Basis of Consolidation

Consolidated financial statements have been prepared for Andrews Charitable Trust and the Andrews & Partners Limited group which consists of the companies listed in Note 4. The results and assets of Andrews & Partners Ltd group have been consolidated for the year ended 31st December 2013. 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 31<sup>ST</sup> DECEMBER 2013**  
**(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 31<sup>ST</sup> DECEMBER 2013**  
**(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.

(v) Client monies

In the financial statements for the year ended 31 December 2012 the consolidated balance sheet included a client monies asset of £10,118,171 and an equal amount as a creditor due to clients. The directors now consider that these amounts are not assets of the group, rather belonging to the clients who pay the deposits, and therefore the client monies asset and creditor are no longer included in the balance sheet of the group. The balance sheet of the group at 31 December 2012 has been restated to exclude client monies and the creditor due to clients of £10,118,171.

**ANDREWS CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013**  
**(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

<b>Group</b>	<u>2013</u>	<u>2012</u>
	<u>£</u>	<u>£</u>
Group investment income	172,924	171,647

  

<b>Trust</b>	<u>2013</u>	<u>2012</u>
	<u>£</u>	<u>£</u>
Group investment income	172,924	171,647
Donations from Andrews & Partners Ltd	425,460	286,346
Trust investment income	598,384	457,993

**ANDREWS CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013**  
**(continued)**

4. **INCOME OF TRADING SUBSIDIARIES**

The Trust has a 72.55% interest in Andrews & Partners Ltd 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 & Partners Ltd group for the year ended 31st December 2013 will be filed with the Registrar of Companies.

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

	<u>31st December 2013</u>	<u>31st December 2012</u>
<u>Profit and Loss Account</u>	<u>£</u>	<u>£</u>
Income of trading subsidiaries – turnover	32,079,933	29,526,058
Administration expenses	(30,660,231)	(28,683,915)
Other operating income	56,468	48,106
Interest receivable	287,475	318,565
Interest payable	(88,112)	(81,133)
Taxation (note 18)	(273,845)	(219,233)
Amount donated to other charities	(160,977)	(108,342)
Cost of trading subsidiaries	(30,839,222)	(28,725,952)
Amount donated to Andrews Charitable Trust	(425,460)	(286,346)
Profit for the financial year	815,251	513,760
Unrealised profit on revaluation of freeholds	426,440	-
Total recognised gains in year	1,241,691	513,760
Amount attributable to subsidiary's minority shareholders (note 20)	340,846	141,027
Amount attributable to the Trust (note 19)	900,845	372,733
	1,241,691	513,760

**ANDREWS CHARITABLE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013**

**(continued)**

**5. INVESTMENT MANAGEMENT COSTS**

**Group and Trust**

	<u>2013</u>	<u>2012</u>
	<u>£</u>	<u>£</u>
Professional fees re investment property	938	730

**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:

<b>Group and Trust</b>	<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>2013</u>	<u>Total</u> <u>2012</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Education	25,000	5,379	30,379	-
Dementia	7,500	1,614	9,114	-
Ending violence against women	85,000	18,289	103,289	32,517
Support of carers	25,000	5,379	30,379	65,034
Christian	36,250	7,800	44,050	27,500
Relief of poverty	5,000	1,076	6,076	-
Homelessness	-	-	-	32,199
<b>Total</b>	<b>183,750</b>	<b>39,537</b>	<b>223,287</b>	<b>157,250</b>

**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 (2012 nil). The grants made were as follows:

**Group and Trust**

	<u>2013</u>	<u>2012</u>
	<u>£</u>	<u>£</u>
<u>Education</u>		
2 <sup>nd</sup> Chance	25,000	-
<u>Dementia</u>		
Dementia Adventure	7,500	-
<u>Ending violence against women</u>		
Restored	85,000	25,000
<u>Support of carers</u>		
Carers Worldwide	25,000	50,000
<u>Christian:</u>		
Christian Initiative Trust	20,000	20,000
Ekklesia	16,250	-
	36,250	20,000
<u>Relief of poverty:</u>		
Advantage Africa	5,000	-
	<u>183,750</u>	<u>95,000</u>

**ANDREWS CHARITABLE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013**

**(continued)**

**8. SUPPORT COSTS**

**Trust**

In 2012 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 2013</u>	<u>Total allocated 2012</u>
		£	£	£	£
Staff costs	Staff time	36,940	9,235	46,175	46,065
Office costs	Staff time	2,597	649	3,246	4,942
Dissemination	Project	-	-	-	19,957
Ekklesia strategy	Project	-	-	-	1,487
<b>Total</b>		<b>39,537</b>	<b>9,884</b>	<b>49,421</b>	<b>72,451</b>

**9. ANALYSIS OF GOVERNANCE COSTS**

**Trust**

	<u>2013</u>	<u>2012</u>
	£	£
Staff costs	9,235	9,213
Office costs	649	988
Audit fee (including irrecoverable VAT)	9,300	9,060
Trustee expenses	764	944
Meeting expenses	3,084	-
Other costs	435	800
	<b>23,467</b>	<b>21,005</b>

**ANDREWS CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013**  
**(continued)**

10. NET INCOMING RESOURCES

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

	<u>2013</u>	<u>2012</u>
	<u>£</u>	<u>£</u>
Interest payable on:		
Other loans [Trust: £Nil]	88,112	81,133
	88,112	81,133
Profit on sale of fixed assets [Trust: £Nil]	(35,247)	(30,082)
Depreciation – owned assets [Trust: £Nil]	920,575	983,100
Auditors’ remuneration:		
-audit fees [Trust:£7,750 (2012: £7,550)]	39,870	38,200
-taxation fees [Trust: £Nil]	26,700	27,400
-other required by legislation	8,310	8,250
Operating lease charges-land and buildings [Trust: £Nil]	1,150,388	1,145,842

11. TANGIBLE FIXED ASSETS

<b>Group</b>	<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 2013	1,638,000	3,012,966	285,069	5,117,339	2,539,053	12,592,427
Additions	-	-	-	995,772	622,637	1,618,409
Disposals	-	-	-	-	(538,977)	(538,977)
Revaluation	232,000	424,334	-	-	-	656,334
31 December 2013	1,870,000	3,437,300	285,069	6,113,111	2,622,713	14,328,193
<u>Analysis</u>						
At cost	-	-	234,569	6,113,111	2,622,713	8,970,393
At valuation	1,870,000	3,437,300	50,500	-	-	5,357,800
	1,870,000	3,437,300	285,069	6,113,111	2,622,713	14,328,193
<u>Accumulated depreciation</u>						
1 January 2013	-	59,639	112,557	4,108,513	1,400,724	5,681,433
Charge for year	-	-	20,513	433,727	466,335	920,575
Disposals	-	-	-	-	(481,978)	(481,978)
Written back on revaluation	-	(59,639)	-	-	-	(59,639)
31 December 2013	-	-	133,070	4,542,240	1,385,081	6,060,391
<u>Net book amounts</u>						
31 December 2013	1,870,000	3,437,300	151,999	1,568,560	1,237,631	8,267,802
31 December 2012	1,638,000	2,953,327	172,512	1,008,826	1,138,329	6,910,994

**ANDREWS CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013**  
**(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 2013 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.

Investment properties were revalued on an open market rental basis at 31 December 2013 by MA Brett Surveyors Limited (FRICS) being a revision exercise on the previous open market valuation by ProMission at 31 December 2010.

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

At 31 December 2013 the historical cost of the revalued freehold premises was £2,259,543 (2012: £2,259,543) and short leasehold premises £50,500 (2012: £50,500). At 31 December 2013 the historical net book value of the revalued freehold premises was £1,368,508 (2012: £1,398,637); short leasehold premises £36,095 (2012: £37,536) and investment property £425,000 (2012: £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 £113,749 (2012: £23,000). At present it is not envisaged that any tax will become payable in the foreseeable future. There were no capital commitments at 31 December 2013 (31 December 2012: nil).

**Note of group historical cost net movements in funds**

	<u>2013</u>	<u>2012</u>
	£	£
Reported net movements in funds for the year	1,640,854	672,863
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>1,610,727</u>	<u>642,736</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 31<sup>ST</sup> DECEMBER 2013**  
**(continued)**

**11. TANGIBLE FIXED ASSETS (continued)**  
**Trust**

	<u>Investment Property</u> £
<u>At cost/valuation</u>	
1 January 2013	1,638,000
Revaluation in year	<u>232,000</u>
31 December 2013	<u>1,870,000</u>
<u>Analysis</u>	
At valuation	<u>1,870,000</u>
<u>Accumulated depreciation</u>	
1 January 2013 and 31 December 2013	=
<u>Net book amounts</u>	
31 December 2013	<u>1,870,000</u>
31 December 2012	<u>1,638,000</u>

**12. INVESTMENTS**

<b>Group</b>	<u>Market Value</u> <u>2013</u> £	<u>Market Value</u> <u>2012</u> £	<u>Cost</u> <u>2013</u> £	<u>Cost</u> <u>2012</u> £
<u>Quoted investments:</u>				
The Equities Investment Fund for Charities	935,634	780,033	617,498	617,498
Banco Santander (note 12(ii))	1,135	980	-	-
	<u>936,769</u>	<u>781,013</u>	<u>617,498</u>	<u>617,498</u>
<u>Unquoted investments in associated company:</u>				
Mortgage Options (Partnership Division) Limited	80,021	120,021	200,021	200,021
<u>Total investments</u>	<u>1,016,790</u>	<u>901,034</u>	<u>817,519</u>	<u>817,519</u>

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 31<sup>ST</sup> DECEMBER 2013**  
**(continued)**

12. INVESTMENTS (continued)

<u>Trust</u>	<u>Market</u> <u>Value</u> <u>2013</u>	<u>Market</u> <u>Value</u> <u>2012</u>	<u>Cost</u> <u>2013</u>	<u>Cost</u> <u>2012</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Unquoted investments:				
Andrews & Partners Ltd (note 12 (i))	7,014,763	6,113,918	6,388	6,388
Quoted investments:				
The Equities Investment Fund For Charities	935,634	780,033	617,498	617,498
Banco Santander (note 12 (ii))	1,135	980	-	-
	<u>936,769</u>	<u>781,013</u>	<u>617,498</u>	<u>617,498</u>
<b>TOTAL</b>	<u>7,951,532</u>	<u>6,894,931</u>	<u>623,886</u>	<u>623,886</u>
	<u>Group</u> <u>2013</u>	<u>Trust</u> <u>2013</u>	<u>Group</u> <u>2012</u>	<u>Trust</u> <u>2012</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Market value at beginning of year	781,013	6,894,931	709,681	6,450,866
Gain on revaluation	155,756	1,056,601	71,332	444,065
Market value at end of year	<u>936,769</u>	<u>7,951,532</u>	<u>781,013</u>	<u>6,894,931</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 & Partners Ltd. The principal activity of Andrews & Partners Ltd is in residential estate agency. In the year ended 31 December 2013 the Group reported a turnover of £32,079,933 (2012: £29,526,058) and a profit after tax for the financial year of £815,251 (2012: profit of £513,760). At 31 December 2013 the capital and reserves of the Group amounted to £9,668,874 (2012: £8,427,183).
- (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 31<sup>ST</sup> DECEMBER 2013**  
**(continued)**

13. DEBTORS

	<u>Group</u> <u>2013</u>	<u>Trust</u> <u>2013</u>	<u>Group</u> <u>2012</u>	<u>Trust</u> <u>2012</u>
	£	£	£	£
Gift aid donation receivable	-	425,460	-	286,346
Trade debtors	903,374	-	1,007,621	-
Other debtors	40,705	-	172,423	-
Prepayments and accrued income	556,901	5,080	563,975	4,864
Deferred tax asset (note 24)	122,153	-	228,147	-
	<u>1,623,133</u>	<u>430,540</u>	<u>1,972,166</u>	<u>291,210</u>

14. CREDITORS: Amounts falling due within one year

	<u>Group</u> <u>2013</u>	<u>Trust</u> <u>2013</u>	<u>Group</u> <u>2012</u>	<u>Trust</u> <u>2012</u>
	£	£	£	£
Trade creditors	683,155	-	436,112	-
Outstanding pension contributions	156,525	-	120,267	-
Taxation and social security	1,729,504	-	1,444,117	-
Accruals and deferred income	1,838,316	40,544	1,311,080	40,302
Other creditors	61,500	61,500	61,500	61,500
Proposed gift aid donation	160,977	-	108,342	-
Debenture loan	21,500	-	20,000	-
Loan repayments due within 12 months	482,720	-	443,760	-
Corporation tax	165,994	-	83,606	-
	<u>5,300,191</u>	<u>102,044</u>	<u>4,028,784</u>	<u>101,802</u>

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

	<u>Group</u> <u>2013</u>	<u>Group</u> <u>2012</u>
	£	£
Debenture loan – amount due between one and two years	22,500	21,000
Debenture loan – amount due between one and two years	606,372	630,163
Other loans – amount due between one and two years	338,634	327,486
Other loans – amount due between two and five years	<u>262,151</u>	<u>244,657</u>
	<u>1,229,657</u>	<u>1,223,306</u>

The debenture loan is secured on two of the freeholds of the company. 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%.

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 31<sup>ST</sup> DECEMBER 2013**  
**(continued)**

16. PROVISIONS FOR LIABILITIES AND CHARGES

<b>The Group</b>	Clawback Provision (Note (i)) £	Surveying Claims (Note (ii)) £	Total £
At 1 January 2013	222,393	148,251	370,644
Utilised in the year	(58,981)	(58,347)	(117,328)
Provided in the year	59,590	98,313	157,903
At 31 December 2013	223,002	188,217	411,219

(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>2013</u> <u>Number</u>	<u>2012</u> <u>Number</u>
The average number of persons employed by the group was:-		
Estate Agency	238	223
Other activities	302	292
Charitable activities (employed by the Trust)	1	1
	541	516

**Group**

	<u>2013</u> <u>£</u>	<u>2012</u> <u>£</u>
Salaries	17,590,449	16,051,994
Social security costs	1,871,125	1,727,824
Defined contribution pension scheme contributions	598,002	579,953
	20,059,577	18,359,771

**ANDREWS CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013**  
**(continued)**

17. STAFF COSTS AND EMPLOYEES (continued)

<b>Trust</b>	<u>2013</u>	<u>2012</u>
	£	£
Salaries	39,166	39,533
Social security costs	3,981	3,732
Defined contribution pension scheme contributions	3,028	2,800
	<u>46,175</u>	<u>46,065</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 (2012: 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

<b>Group</b>	<u>2013</u>	<u>2012</u>
	£	£
UK corporation tax charge based on the profit for the year adjusted for tax purposes:		
- current year at 23.25% (2012: 24.5%)	167,881	94,106
- prior year overprovision	(30)	(482)
Total current tax charge	<u>167,851</u>	<u>93,624</u>
Deferred tax - prior year	1,794	(11,610)
Deferred tax –effect of rate change	17,389	22,190
Deferred tax –current year	86,811	115,029
Tax on profit on ordinary activities	<u>273,845</u>	<u>219,233</u>

The tax for the period is lower (2012: lower) than the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:

	<u>2013</u>	<u>2012</u>
	£	£
Profit on ordinary activities at the UK tax rate at 23.25% (2012: 24.5%)	253,201	179,583
<i>Effects of:</i>		
Expenses not deductible for tax purposes	(3,801)	22,665
Accelerated capital allowances/other timing differences	(86,301)	(56,025)
Tax at marginal rates	(4,010)	(2,909)
Amortisation of investment	9,300	9,795
Utilisation of losses	(508)	(59,003)
Adjustments in respect of previous periods	(30)	(482)
Total current tax charge	<u>167,851</u>	<u>93,624</u>

**ANDREWS CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013**  
**(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>2013</u>	<u>Total</u> <u>2012</u>
	£	£	£	£
Balance at 1 January	2,940,320	6,113,918	9,054,238	8,381,375
Profits retained in subsidiaries attributable to the Trust (note 4)	-	900,845	900,845	372,733
Net Movement in funds	740,009	-	740,009	300,130
Balance at 31 December	<u>3,680,329</u>	<u>7,014,763</u>	<u>10,695,092</u>	<u>9,054,238</u>

The movement on the Trust fund is shown on the statement on page 15.

20. **RECONCILIATION OF MOVEMENT IN MINORITY INTERESTS**

	<u>Minority Interests</u> <u>£</u>
Balance at 1 January 2013	2,313,265
Profits retained in subsidiaries attributable to minority interests (note 4)	340,846
Movement in year	340,846
Balance at 31 December 2013	2,654,111

21. **CONTINGENT LIABILITIES**

At 31 December 2013 grants sanctioned by the Trustees but not yet spent, where conditions attached to the grants have not yet been fulfilled, amounted to £341,250 (31 December 2012: £105,000). The group had no other contingent liabilities.

**Movements on Grant commitments**

Grant commitments at 1 January 2013	£ 105,000
Add: grants approved in year	420,000
Less: paid in year	(183,750)
Grant commitments at 31 December 2013	341,250

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 31<sup>ST</sup> DECEMBER 2013**  
**(continued)**

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

	<u>2013</u>	<u>2012</u>
	£	£
Net incoming resources for the year	1,167,504	794,558
Net interest receivable	(199,363)	(237,432)
Taxation charge	273,845	219,233
Operating result	1,241,986	776,359
Amortisation charges	40,000	40,000
Depreciation charges	920,575	983,100
Revaluation	(57,534)	-
Net profit on sale of tangible fixed assets	(35,247)	(30,082)
Decrease/(increase) in debtors	145,042	(204,439)
Increase in creditors	1,148,559	572,410
Increase in provision for liabilities and charges	40,575	34,961
Net cash inflow from operating activities	3,443,956	2,172,309

23. TRUSTEES' AND EMPLOYEES' REMUNERATION

No Trustee received any remuneration from the Trust during the year (2012: Nil). Three Trustees received reimbursement of travel expenses totalling £764 (2012: four trustees £944).

24. DEFERRED TAXATION

Breakdown of deferred tax debtor in note 13:

	<u>2013</u>	<u>2012</u>
	£	£
<b>The Group</b>		
Accelerated capital allowances	29,151	326,179
Losses	61,697	12,025
Other timing differences	31,305	(110,057)
	122,153	228,147

Reconciliation of movement in deferred tax during the year:	£
At 1 January 2013	228,147
Profit and loss – prior year (note 18)	(1,794)
Effect of rate change	(86,811)
Profit and loss – current year (note 18)	(17,389)
At 31 December 2013	122,153

**ANDREWS CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013**  
**(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>2013</u> £	<u>Land and Buildings</u> <u>2012</u> £
Expiring within one year	442,830	358,630
Expiring between one and five years	499,077	576,837
Expiring after five years	163,794	163,794
	1,105,701	1,099,261

The Trust itself had no operating lease commitments at 31 December 2013 or 31 December 2012.

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 & Partners Ltd
M Robson	Andrews & Partners Ltd
P Heal	Andrews & Partners Ltd
N Wright	Andrews & Partners Ltd

Investment income of £425,460 was receivable in 2013 from Andrews & Partners Ltd (2012: £286,346). The £425,460 gift aid donation from Andrews & Partners Ltd relating to 2013 was paid in June 2014 and so was in debtors at 31 December 2013. Similarly the £286,346 gift aid donation from Andrews & Partners Ltd relating to 2012 was paid in June 2013 and so was in debtors at 31 December 2012.