

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

**CONSOLIDATED ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**31 DECEMBER 2010**

## ANDREWS CHARITABLE TRUST

### REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST

#### **Trustees**

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

A Radford (Chair of Trustees)  
H Battrick  
C Chapman (appointed 9<sup>th</sup> March 2011)  
N Colloff (appointed 7<sup>th</sup> October 2010)  
P Feilden (resigned 3<sup>rd</sup> June 2010)  
A Fitzalan Howard (resigned 3<sup>rd</sup> June 2010)  
P Heal (appointed 7<sup>th</sup> October 2010)  
E Hughes (appointed 7<sup>th</sup> October 2010)  
A Jackson  
A Page (appointed 7<sup>th</sup> October 2010)  
M Robson  
D Saint  
D Westgate  
N Wright (Treasurer)

#### **Appointments sub-committee**

A Radford (Chair)  
H Battrick  
M Robson  
N Wright

#### **Finance and Investments Committee**

A Jackson (Chair until 19<sup>th</sup> May 2011)  
P Heal (appointed 7<sup>th</sup> October 2010 and chair from 19<sup>th</sup> May 2011)  
N Wright  
A Radford

#### **Director and Principal Office**

Sian Edwards  
Andrews Charitable Trust  
The Clockhouse  
Bath Hill  
Keynsham  
Bristol  
BS31 1HL  
E Mail [info@Andrewscharitabletrust.org.uk](mailto:info@Andrewscharitabletrust.org.uk)  
Telephone number (0117) 9461834

#### **Website**

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

**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 31<sup>ST</sup> DECEMBER 2010**

The financial statements have been prepared in accordance with the accounting policies on pages 18 to 20 and comply with the Trust Deed, the Charities Act 1993 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”.

The Trust deed provides for a minimum of four Trustees and a maximum of fifteen. Trustees are appointed by the board of Trustees and serve for three years after which period they may put themselves forward for reappointment. 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, 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 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 grant making, investment, reserves and risk management policies and performance. The day to day administration of grants and the processing and handling of grant applications to the Trust is delegated to the Trust Director.

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 2010, 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 a member of the Association of Charitable Foundations (“ACF”). The ACF provides helpful information on good practice, changes in law affecting charities and acts as an authoritative lobby on behalf of the charitable foundations with the Government and regulators. The Trust is also a member of the National Council for Voluntary Organisations (“NCVO”) which acts as a support and voice for the voluntary and community sector. Trustees and the Director use publications and seminars from these organisations to help with their ongoing training along with the Charity Commission Website and attendance at appropriate courses and networking events.

## **ANDREWS CHARITABLE TRUST**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2010**

#### **Objectives and activities**

The objects in the Trust deed are:-

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

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

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

In summary then, the Trust has used three words, to encapsulate our funding criteria and our search for new funding opportunities: Innovation, Replicability and Sustainability.

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.

#### **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.

Applications are first reviewed by the Director according to our mission, 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.

Following the strategic review of October 2007 trustees decided to focus our search for investment opportunities in the field of homelessness, an area chosen because of the resonance that the issue has with the estate agency businesses of Andrews & Partners.

Research identified a niche where additional investment could make a difference and where it was felt that innovation was required to address an identified need. This was the need to provide whole family support for homeless families, in order to stop or prevent a cycle of intergenerational homelessness, which has become increasingly apparent in the most complex, chaotic and hard-to-reach families.

## ANDREWS CHARITABLE TRUST

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2010 (continued) Procedures and policy for grant making (continued)

Trustees decided to test a strategy for funding work in this field and advertised a call for proposals for a two year pilot programme in Bristol. The call looked for proposals from voluntary sector organisations that had ideas about how to tackle intergenerational homelessness through better parenting and family support. This programme will run until March 2012 when the programme's evaluation will be shared and disseminated.

This more focused programme has not changed the overall mission of the organisation in the longer term. Broadly speaking the procedure for the assessment of applications for the Bristol pilot programme follows the pre-existing system and we have maintained our overarching requirement that initiatives should be innovative, replicable and sustainable. The process for managing organisations that become part of our funded portfolio is described below.

#### Active Portfolio

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

In addition to funding, the Trust commits management/development support to each project. This usually comprises at least one Trustee and the Trust Director. Organisations that we support have traditionally been offered the opportunity for one of our trustees to join their board as a trustee (or non-executive Director)<sup>1</sup>. In addition, where specialist expertise cannot be provided by the Trust, provision can also be bought in, as appropriate.

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

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

#### 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.

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<sup>1</sup> Because of the sectoral approach in Bristol, this option has not been part of our offer to organisations in this portfolio. However, we are developing additional means of supporting the group including quarterly roundtable meetings, often including other stakeholders, such as Council representatives. We are also providing additional learning and evaluation support. Individual trustees have supported the trust's Director in this work on an ad-hoc basis.

## ANDREWS CHARITABLE TRUST

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2010 (continued)

#### Achievements and performance of the Trust

The three main threads during 2010 were:

1. Continued financial support and engagement with our existing fundee organisations.
2. Completion of our governance review.
3. Rebuilding and refreshing the Trustee Board.

#### **1. Continued support to fundee organisations.**

a) Kainos Community received a further and final £83,000 of funding from ACT as they pressed on with their excellent but difficult work in prisons, aimed at and achieving reductions in reoffending rates. Two ACT Trustees, David Westgate and Piers Feilden continued as Trustees of Kainos, for which we and Kainos are very grateful. Piers was elected as Chair of Kainos during 2010 and we wish him every success with leading the organisation forward.

b) Excellent Development. ACT provided a further £71,858 to Excellent Development in 2010. They continue to meet all their objectives for the building of sand dams, terracing of land and planting of trees but have also made significant progress in identifying partners in other African countries where their model might be replicated. We are expecting several new countries to be up and running in 2011 which will satisfy the ACT aim of finding replicable models of development to fund.

c) The Bristol project on homelessness and parenting has proved hugely challenging but by the end of 2010 we could see real signs of progress. Our funding of this work in 2010 was to five separate community organisations working in the fields of homelessness and parenting, as follows;

A) Single Parent Action Network (SPAN)	£80,855
B) Survive	£36,502
C) Community Resolve	£17,003
D) Orbit	£33,919
E) Shelter	£39,200
Total	£207,479

Our Director, Siân Edwards, supported by the Chair of ACT and three other Trustees, Andrew Radford, Helen Battrick and Alastair Page, have also put in a huge amount of effort into building what has now become (and calls itself) a consortium, preparing to bid for public sector funding to continue their work beyond ACT funding, with some of the most difficult families in the City. We have also involved several departments of the City Council, encouraging them to use and promote the new services to the most vulnerable families in the city. We are very encouraged by the supportive involvement of the council to date. One of our aims was to develop a cooperative model of working which might be replicated in other parts of the UK and we believe this may well be achieved. Furthermore, direct support to over 150 families with housing issues has been provided in the first eighteen months, making significant differences to the lives of struggling parents and their children.

Further details of this are given below, agency, by agency:

#### SPAN

- Running the Strengthening Families, Strengthening Communities group parenting programme for families with experience of homelessness.
- 177 parents were successfully referred to the programme and of these a total of 109 had signed up for one of the 12 week parenting courses.

## ANDREWS CHARITABLE TRUST

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2010 (continued)

- Of those signed up to a course, only 15 had dropped out
- 47 parents have already graduated and a further 47 were still attending.
- Up-coming courses include a women only and a men only course, a course for those with experience of domestic violence and one for Somali families particularly.
- SPAN has now run or is planning courses in collaboration with Orbit, Shelter and Survive.

#### Survive

- Supporting families who have fled domestic violence, with a specific support on strengthening the family bonds and parenting relationship.
- 19 families (37 children) worked with in the refuges and 20 women (54 children) in outreach (four are similar to both services, meaning a total of 35 women supported).
- Delivered awareness sessions on the “impact of DVA on children” for women attending the freedom course, for 87 women in the year
- 100% of women reported some progress in their parenting skills
- 65% reported improvement in their children’s self esteem
- 65% reported improvement in the mother child relationship
- Now working effectively with SPAN and CR

#### Orbit

- Supporting fathers not living with their children who have experience of homelessness.
- 22 fathers worked with
- 11 fathers on waiting list
- Strong on sign-posting
- Father Worker has attended the SPAN training course himself and is now passing on much of what he learnt to his fathers.

#### Community Resolve

- Running an innovative service providing mediation and mentoring services to parents and young people where there has been relationship breakdown that is likely to result in homelessness.
- Trained 18 professionals in Intergenerational Mediation, including 12 young people.
- Offering mediation through SafePlace
- 12 referrals led to 9 initial meetings and 4 mediation meetings already taken place
- 8 still in pipeline
- Mentoring now part of the model for young people (helps their engagement in mediation)
- Positive early outcomes including young people feeling more supported by their families

#### Shelter

- Aims to effectively reduce the risk of repeat homelessness and break intergeneration cycles of bad housing, poverty and related negative issues
- Work through placing family at the centre of support, involved in identifying the issues as well as the solutions
- 10 families supported to date including 33 children
- Trained two staff in the SFSC parenting course and held one course for 8 families
- Beneficiaries benefit from a range of Shelter services and referrals come from other Shelter services.

## **ANDREWS CHARITABLE TRUST**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2010 (continued)**

#### **2. Completion of our Governance Review.**

The governance review was virtually completed within the year and most recommendations of the governance subcommittee implemented. Unfortunately we were not allowed by the Charity Commission to adopt an updated and modernised Trust Deed as our existing Deed did not allow this. So instead, Trustees agreed to the drawing up of a new set of Rules which would clearly outline the main operating principles of the Trust including the main provisions of the Deed for everyday use, but the Trust Deed remains supreme. This is nearing completion and should be adopted at the next Trustee meeting. One key recommendation of the Governance review was that we should reinstate the Finance and Investments subcommittee and this has been done. Tony Jackson initially chaired the committee but he has now decided to hand over the chair to Paul Heal who has long experience as an Audit Partner with PWC. One of the first jobs of the committee has been to produce a new shareholder directive for the Board of Andrews & Partners Limited and this is in hand.

#### **3. Rebuilding & refreshing the Trustee Board.**

During 2009 and the early part of 2010 we lost several of our Trustees for a variety of reasons and this, coupled with the recommendations of the governance review has led to the recruitment of five new Trustees. One of our Trustees, Piers Feilden, agreed to take over as Chair of one of our sponsored charities, Kainos Community. As a result of this he decided to stand down as a Trustee of ACT. We thank him warmly for his contributions to ACT and ongoing commitment to Kainos. Another long standing Trustee, Amelia Fitzalan Howard also decided to stand down. Amelia was a highly valued colleague and made a particularly notable contribution as the first Chair of BasicNeeds in which ACT invested over £1million.

We are very pleased to have been able to rebuild the Board with the addition of five new Trustees, the latest being, Christopher Chapman, the Managing Director of Andrews Financial Services, who is the fourth full time working Director of an Andrews' business to become Trustee of ACT. He joins our other four new trustees, Alastair Page, Paul Heal, Elizabeth Hughes and Nicholas Colloff in what is an exciting and diverse Board to drive forward the good works of ACT. We are grateful to all of them for agreeing to offer their time, skills and experience in the service of ACT and I would like to pay tribute to the continuing support and commitment of all our existing Trustees during 2010.

Siân Edwards, our part time Director has continued to work with energy, imagination and commitment during 2010 and I would like to mention particularly the part she has played in the development of the Bristol project. We were able to welcome Sharon Pett to ACT to work a few hours a week as administration support Siân and this has been very helpful.

## **ANDREWS CHARITABLE TRUST**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2010 (continued)**

#### **Financial Review, investment policy and reserves**

##### **a) Reserves Policy**

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

The Trustees have an established policy whereby the investment in Andrews and Partners Ltd, the quoted investments and the investment property are held for the generation of income for the Trust. These comprise £8.11m (2009: £7.83m) 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 2010 the actual level of net current assets reserves was £231,012 (2009: £495,916) which was slightly in excess of future grant commitments of £181,863 (2009: £479,200). Trustees are comfortable with this level of reserves bearing in mind the uncertainty over future income as a result of the downturn in the housing market in which Andrews and Partners Ltd operates.

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

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

##### **b) Investment Policy and Objectives**

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

In order to reduce the financial dependence of the Trust on Andrews and Partners Ltd, Trustees have over a number of years, and as a matter of policy, developed other assets that may be held for the long-term generation of income. The quoted investments had a market value of £749,503 (2009: £699,118) and the investment property had a market value of £1.8m (2009: £1.7m) at 31<sup>st</sup> December 2010.

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 7.7% pa income yield.

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

## **ANDREWS CHARITABLE TRUST**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2010 (continued)**

#### **Investment performance against the investment objectives set**

The latest audited financial information available on Andrews and Partners Limited is in respect of their year ended 31 December 2010. Group turnover for 2010 was £27,523,800 which was 3% up on the 2009 figure of £26,743,201. A profit after tax was reported in 2010 of £209,500 compared to £396,614 in 2009. No gift aid donation was received from Andrews in the year (2009: £253,925) because of the difficult market conditions and uncertain prospects for 2011. 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 3.5% pa compared to 4.8% pa total return on the FSTE All-Share index.

The investment property was revalued at 31 December 2010 and the valuation was £100,000 more than at 31 December 2009. The rental income during 2010 was £129,760 (2009: £130,726) which made the yield on the investment property in the year 7.6%, just below 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 2010, increasing the net assets of the Trust by £51,067 (2009: increase of £56,886). Dividends from this investment in 2010 were £37,141 (2009 £37,070). The total return on the investment in 2010 was 14.6% compared to the benchmark of 14.7% 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 £2,054 to £1,372.

## ANDREWS CHARITABLE TRUST

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2010 (continued)

#### Plans for future periods

In view of the continuing work on governance and Trustee recruitment, as well as the focus on the homelessness project, it was decided to postpone the ACT Strategic review planned for October 2010 until the spring of 2011 when the new Board would be complete. At the time of writing, we can confirm that the review did take place on 9/10<sup>th</sup> March 2011 with the following three main objectives:

1. To determine the future methodology for our grant making and other support.
2. To identify causes to support going forward.
3. To produce clear future goals and objectives for the Director.

As a result of the meeting, all of these were achieved. This has provided trustees and the Director with a framework for our work over the next 3 years. Broadly speaking the table below summarises the main actions that came out of the meeting:

<b>ACTION PLAN ARISING FROM TRUSTEE STRATEGY REVIEW 2011</b>	
1.	Establish a small sub-group to support the Director in determining a) leadership for the consortium of organisations in the Bristol Project; b) learning from the project is maximised with a view to sharing its experience more widely; and c) an exit strategy for our involvement, leading up to March 2012
2.	Create an ‘event’ to consider beyond Bristol in terms of promoting the model elsewhere (focusing on the ability of small community-based organisations to work together to deliver intensive family interventions for homeless families)
3.	Complete the articulation and expression of agreed expanded funding criteria and ensure that this is easily communicable to prospective applicants.
4.	Given agreement of our developed funding criteria, open up a project pipeline for new causes and ideas (potentially anything anywhere) but ensuring assessment is undertaken against the new funding criteria (see 3. above)
5.	Undertake a complete re-design and re-write of the ACT website so that it clearly reflects the new funding criteria and so that it can, in the future, more easily be maintained “in-house”.
6.	Organise an ‘event’ to brainstorm Objective 1 regarding the promotion of the Christian faith, bringing in experience and views from other organisations as to what we could usefully do in this arena.
7.	As part of the development of a pipeline, further consider whether or not a small grants programme would be helpful for a decision by the end of the year.
8.	The Director to pull together an action plan for generating new ideas and present to ACT board, as soon as possible.

The above action plan is already in progress regarding the work with existing funded organisations and in the search for new work to support.

## **ANDREWS CHARITABLE TRUST**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2010 (continued)**

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in 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 1993, as amended by the Charities Act 2006, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **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  
7<sup>th</sup> July 2011

## **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 2010 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 12, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 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.

### **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 2010, 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 the Charities Act 1993.

**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 1993 requires us 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; 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 as an auditor in terms of section 1212 of the Companies Act 2006

**ANDREWS CHARITABLE TRUST**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 31<sup>ST</sup> DECEMBER 2010**

	Note	2010 £	2009 £
<b>INCOMING RESOURCES</b>			
<b>Incoming resources from generated funds</b>			
Investment income	3	167,542	169,868
Donations received		1,565	-
Income of trading subsidiaries	4	27,523,800	26,743,201
<b>TOTAL INCOMING RESOURCES</b>		<b>27,692,907</b>	<b>26,913,069</b>
<b>RESOURCES EXPENDED</b>			
<b>Cost of generating funds:</b>			
Cost of trading subsidiaries	4	(27,314,300)	(26,092,662)
Investment management costs	5	-	(5,366)
<b>Charitable activities:</b>			
Homelessness		(235,403)	(108,556)
Relief of poverty		(79,169)	(83,999)
Prison communities		(91,445)	(55,807)
Forgiveness		(5,509)	-
Elderly People		-	(28,767)
<b>Cost of grant making</b>		<b>(411,526)</b>	<b>(277,129)</b>
<b>Governance costs</b>	9	<b>(22,485)</b>	<b>(25,327)</b>
<b>TOTAL RESOURCES EXPENDED</b>		<b>(27,748,311)</b>	<b>(26,400,484)</b>
<b>NET (OUTGOING)/INCOMING RESOURCES BEFORE RECOGNISED GAINS AND LOSSES</b>			
	10	(55,404)	512,585
Gains on investment assets	13	50,385	57,700
Unrealised surplus on revaluation of freeholds and investment property	11	100,000	50,000
Minority interests	4	(71,230)	(134,849)
<b>NET MOVEMENT IN TRUST FUNDS</b>		<b>23,751</b>	<b>485,436</b>
Balance brought forward at 1 January		8,322,034	7,836,598
<b>BALANCE OF TOTAL TRUST FUNDS CARRIED FORWARD AT 31 DECEMBER</b>	20	<b>8,345,785</b>	<b>8,322,034</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 2010**

	Note	2010 £	2009 £
<b>INCOMING RESOURCES</b>			
<b>Incoming resources from generated funds:</b>			
Investment income	3	167,542	423,793
Donations from staff of Andrews and Partners Limited		1,565	Nil
<b>TOTAL INCOMING RESOURCES</b>		<b>169,107</b>	<b>423,793</b>
<b>RESOURCES EXPENDED</b>			
<b>Costs of generating funds:</b>			
Investment management costs	5	-	(5,366)
<b>Charitable activities:</b>			
Homelessness		(235,403)	(108,556)
Relief of poverty		(79,169)	(83,999)
Prison communities		(91,445)	(55,807)
Forgiveness		(5,509)	-
Elderly People		-	(28,767)
<b>Cost of grant making</b>	<b>6</b>	<b>(411,526)</b>	<b>(277,129)</b>
<b>Governance costs</b>	<b>9</b>	<b>(22,485)</b>	<b>(25,327)</b>
<b>TOTAL RESOURCES EXPENDED</b>		<b>(434,011)</b>	<b>(307,822)</b>
<b>NET (OUTGOING)/INCOMING RESOURCES BEFORE RECOGNISED GAINS AND LOSSES</b>			
	10	(264,904)	115,971
Revaluation of investment property	11	100,000	50,000
Gains on investment assets	13	188,655	319,465
<b>NET MOVEMENT IN FUNDS</b>		<b>23,751</b>	<b>485,436</b>
Balance brought forward at 1 January		8,322,034	7,836,598
<b>BALANCE OF TOTAL TRUST FUNDS CARRIED FORWARD AT 31 DECEMBER</b>	<b>20</b>	<b>8,345,785</b>	<b>8,322,034</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 2010**

	Note	2010	2009
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	11	7,429,341	7,294,039
Investments	12	949,524	699,118
		<u>8,378,865</u>	<u>7,993,157</u>
<b>CURRENT ASSETS</b>			
Debtors	14	1,863,146	1,831,639
Cash at bank and in hand		5,478,465	6,011,272
		<u>7,341,611</u>	<u>7,842,911</u>
<b>CREDITORS:</b> amounts falling due within one year	15	<u>(3,731,549)</u>	<u>(3,392,180)</u>
<b>CLIENT MONIES ACCOUNTS</b>			
Cash at Bank		9,087,933	8,009,791
Cash due to clients		<u>(9,087,933)</u>	<u>(8,009,791)</u>
<b>NET CURRENT ASSETS</b>		<u>3,610,062</u>	<u>4,450,731</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		11,988,927	12,443,888
<b>CREDITORS:</b> amounts falling due after one year	16	(471,656)	(972,144)
Provisions for liabilities and charges	17	<u>(304,529)</u>	<u>(353,983)</u>
<b>NET ASSETS</b>		<u>11,212,742</u>	<u>11,117,761</u>
<b>FUNDS</b>			
Unrestricted charitable funds	20	2,780,515	2,895,034
Non-charitable trading funds	20	5,565,270	5,427,000
<b>TOTAL TRUST FUNDS</b>		<u>8,345,785</u>	<u>8,322,034</u>
Minority Interests		<u>2,866,957</u>	<u>2,795,727</u>
<b>TOTAL FUNDS</b>		<u>11,212,742</u>	<u>11,117,761</u>

The financial statements on pages 15 to 37 were approved by the Board of Trustees on 7<sup>th</sup> July 2011 and were signed on its behalf by

Andrew Radford  
Chair

**ANDREWS CHARITABLE TRUST**

**TRUST BALANCE SHEET - 31 DECEMBER 2010**

	Note	£	2010 £	£	2009 £
<b>FIXED ASSETS</b>					
Tangible assets	11		1,800,000		1,700,000
Investments	13		<u>6,314,773</u>		<u>6,126,118</u>
			8,114,773		7,826,118
<b>CURRENT ASSETS</b>					
Cash at bank and in hand		329,712		591,798	
Debtors	14	<u>4,648</u>		<u>4,648</u>	
		334,360		596,446	
<b>CREDITORS:</b> amounts falling due within one year	15	<u>(103,348)</u>		<u>(100,530)</u>	
<b>NET CURRENT ASSETS</b>			<u>231,012</u>		<u>495,916</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS</b>			<u>8,345,785</u>		<u>8,322,034</u>
<b>FUNDS</b>					
Unrestricted funds	20		<u>8,345,785</u>		<u>8,322,034</u>

The financial statements on pages 15 to 37 were approved by the Board of Trustees on 7<sup>th</sup> July 2011 and were signed on its behalf by

Andrew Radford  
Chair

**ANDREWS CHARITABLE TRUST**

**CONSOLIDATED CASH FLOW STATEMENT**  
**YEAR ENDED 31st DECEMBER 2010**

	Note	2010	2009
		£	£
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	22	459,735	2,715,112
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received		174,451	443,782
Interest paid		(62,266)	(45,345)
Charitable donations made		<u>-</u>	<u>(96,075)</u>
Net cash inflow from investments and servicing of finance		112,185	302,362
<b>TAXATION REPAID</b>		3,725	13,281
<b>CAPITAL EXPENDITURE</b>			
Purchase of investment		(200,021)	-
Purchase of tangible fixed assets		(1,327,431)	(551,800)
Sale of tangible fixed assets		<u>117,914</u>	<u>13,782</u>
Net cash outflow for capital expenditure		(1,409,538)	(538,018)
Debenture loan		<u>301,086</u>	<u>515,797</u>
<b>(Decrease)/increase in cash and movement in net investment in the year</b>		<u>(532,807)</u>	<u>3,008,534</u>
<b><u>Reconciliation of net cash flow to movement in net funds (note 22)</u></b>			
		£	
Decrease in cash during the year		(532,807)	
Net funds at 1 January 2010		6,011,272	
Net funds at 31 December 2010		<u>5,478,465</u>	

## ANDREWS CHARITABLE TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2010

#### 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 complied with the Charities (Accounts and Reports) Regulations 2008 issued under the Charities Act 1993. 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 2010. The basis of consolidation is on a line by line basis.

Minority Interests represent the 34% 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 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 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 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 2010**  
**(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) Exceptional Items

Exceptional items are material items which derive from events or transactions that fall within the ordinary activities of the company and which need to be disclosed by virtue of their size or incidence if the financial statements are to give a true and fair view.

11) 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 excluding the pension asset.

Non-charitable pension funds comprise the Trust’s share of the pension asset 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 2010**  
**(continued)**

1. ACCOUNTING POLICIES (continued)

12) 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.

13) 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 31<sup>ST</sup> DECEMBER 2010**  
**(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>2010</u> £	<u>2009</u> £
Group investment income	167,542	169,868
<b>Trust</b>	<u>2010</u> £	<u>2009</u> £
Group investment income	167,542	169,868
Donations from Andrews & Partners Ltd	Nil	253,925
Trust investment income	167,542	423,793

**ANDREWS CHARITABLE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2010**

**(continued)**

**4. INCOME OF TRADING SUBSIDIARIES**

The Trust has a 66% interest in Andrews and Partners Limited and its subsidiary undertakings, which are incorporated in England and Wales.

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

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

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

The principal activity of the group is in residential estate agency, with services in letting and management, surveying and financial services. The group donates by Gift Aid a proportion of its profit, when funds permit, to Andrews Charitable Trust and other connected Trusts. Audited financial statements for the Andrews and Partners Ltd group for the year ended 31st December 2010 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 2010</u>	<u>31st December 2009</u>
<u>Profit and Loss Account</u>	<u>£</u>	<u>£</u>
Income of trading subsidiaries - turnover	27,523,800	26,743,201
Administration expenses	(27,360,028)	(26,111,217)
Other operating income	56,302	76,099
Interest receivable	181,322	315,644
Interest payable	(62,266)	(45,246)
Taxation (note 19)	(129,630)	(231,867)
Amount donated to other charities	-	(96,075)
Cost of trading subsidiaries	(27,314,300)	(26,092,662)
Amount donated to Andrews Charitable Trust	-	(253,925)
Profit for the financial year	209,500	396,614
Unrealised surplus on revaluation of freeholds and leaseholds	-	-
Total recognised gains in year	209,500	396,614
Amount attributable to subsidiary's minority shareholders	71,230	134,849
Amount attributable to the Trust	138,270	261,765
	<u>209,500</u>	<u>396,614</u>

**ANDREWS CHARITABLE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2010**

**(continued)**

**5. INVESTMENT MANAGEMENT COSTS**

**Group and Trust**

	<u>2010</u>	<u>2009</u>
	£	£
Professional fees re investment property	-	5,366

**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>2010</u>	<u>Total</u> <u>2009</u>
	£	£	£	£
Relief of poverty	71,858	7,311	79,169	83,999
Prison communities	83,000	8,445	91,445	55,807
Homelessness	207,479	27,924	235,403	108,556
Forgiveness	5,000	509	5,509	-
Elderly People	-	-	-	28,767
<b>Total</b>	<b>367,337</b>	<b>44,189</b>	<b>411,526</b>	<b>277,129</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 (2009 nil). The grants made were as follows:

<b>Group and Trust</b>	<u>2010</u>	<u>2009</u>
	£	£
<u>Relief of poverty:</u>		
Diocese of Highveld	-	10,000
Excellent Development	71,858	63,000
	71,858	73,000
<u>Prison Communities:</u>		
Kainos Community	83,000	48,500
<u>Homelessness:</u>		
SPAN	80,855	40,422
Survive	36,502	18,252
Community Resolve	17,003	9,384
Orbit	33,919	16,765
Shelter	39,200	9,519
	207,479	94,342
<u>Forgiveness:</u>		
The Forgiveness Project	5,000	-
<u>Elderly People:</u>		
Pictures to Share	-	25,000
	367,337	240,842

**ANDREWS CHARITABLE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2010**

**(continued)**

**8. SUPPORT COSTS**

**Trust**

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

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

<u>Cost type</u>	<u>Basis of apportionment</u>	<u>Charitable Activities</u>	<u>Governance (note 9)</u>	<u>Total allocated 2010</u>	<u>Total allocated 2009</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Staff costs	Staff time	33,646	8,412	42,058	39,546
Office costs	Staff time	3,729	932	4,661	5,813
External Evaluation	Project	4,940	-	4,940	-
Meeting expenses	Project	1,874	-	1,874	-
<b>Total</b>		<b>44,189</b>	<b>9,344</b>	<b>53,533</b>	<b>45,359</b>

**9. ANALYSIS OF GOVERNANCE COSTS**

**Trust**

	<u>2010</u>	<u>2009</u>
	<u>£</u>	<u>£</u>
Staff costs	8,412	7,909
Office costs	932	1,163
Audit fee (including irrecoverable VAT)	8,640	8,460
Insurance	355	423
Trustee expenses	944	158
Governance review	2,812	6,684
Other costs	390	530
	<b>22,485</b>	<b>25,327</b>

**ANDREWS CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2010**  
**(continued)**

10. NET (OUTGOING)/INCOMING RESOURCES

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

	<u>2010</u>	<u>2009</u>
	<u>£</u>	<u>£</u>
Interest payable on:		
Bank loans and overdrafts [Trust: £Nil]	4,540	13,430
Other loans [Trust: £Nil]	57,726	31,816
	62,266	45,246
Profit on sale of fixed assets [Trust: £Nil]	(43,186)	(4,390)
Depreciation – owned assets [Trust: £Nil]	1,217,401	1,263,340
Auditors' remuneration:		
-audit fees [Trust:£73,500 (2009: £7,200)]	38,200	37,600
-taxation fees [Trust: £Nil]	30,040	40,100
-remuneration review [Trust: £Nil]	2,700	20,000
-other required by legislation	32,900	32,950
Operating lease charges-land and buildings [Trust: £Nil]	1,087,723	1,040,821

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 2010	1,700,000	3,380,000	283,961	4,463,976	2,069,343	11,897,280
Additions	-	-	-	686,418	641,013	1,327,431
Disposals	-	-	-	(1,006,753)	(567,893)	(1,574,646)
Revaluation	100,000	-	-	-	-	100,000
31 December 2010	1,800,000	3,380,000	283,961	4,143,641	2,142,463	11,750,065
<u>Analysis</u>						
At cost	-	-	233,461	4,143,641	2,142,463	6,519,565
At valuation	1,800,000	3,380,000	50,500	-	-	5,230,500
	1,800,000	3,380,000	283,961	4,143,641	2,142,463	11,750,065
<u>Accumulated depreciation</u>						
1 January 2010	-	45,067	144,474	2,948,447	1,465,253	4,603,241
Charge for year	-	45,067	21,171	830,889	320,274	1,217,401
Disposals	-	-	-	(1,006,753)	(493,165)	(1,499,918)
31 December 2010	-	90,134	165,645	2,772,583	1,292,362	4,320,724
<u>Net book amounts</u>						
31 December 2010	1,800,000	3,289,866	118,316	1,371,058	850,101	7,429,341
31 December 2009	1,700,000	3,334,933	139,487	1,515,529	604,090	7,294,039

**ANDREWS CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2010**  
**(continued)**

11. TANGIBLE FIXED ASSETS (continued)

The group's freehold and long leasehold properties were revalued during 2009 with a revision exercise at 31 December 2010, on the basis of open market value by a combination of independent qualified valuers and by internal valuation by David Westgate FRICS who was a director of Andrews and Partners Limited. The valuations were undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors in the United Kingdom. These valuations have been incorporated into the financial statements.

Investment properties were revalued on an open market rental basis at 31 December 2010 by MA Brett Surveyors Limited (FRICS) being a revision exercise on the previous open market valuation by ProMission at 31 December 2009. 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 credited in prior years to the Statement of Financial Activities.

At 31 December 2010 the historical cost of the revalued freehold premises was £2,259,543 (2009: £2,259,543) and short leasehold premises £50,500 (2009: £50,500). At 31 December 2010 the historical net book value of the revalued freehold premises was £1,458,891 (2009: £1,489,018); short leasehold premises £40,418 (2009: £41,859) and investment property £425,000 (2009: £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 £161,000 (2009: £314,000). At present it is not envisaged that any tax will become payable in the foreseeable future. There were no capital commitments at 31 December 2010 (31 December 2009: nil).

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

	<u>2010</u>	<u>2009</u>
	<u>£</u>	<u>£</u>
Reported net movements in funds for the year	(76,249)	485,436
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amounts	14,940	14,940
Historical cost net movements in funds for the year	<u>(61,309)</u>	<u>500,376</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 2010**  
**(continued)**

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

	<u>Investment Property</u> £
<u>At cost/valuation</u>	
1 January 2010	1,700,000
Revaluation in year	<u>100,000</u>
31 December 2010	<u>1,800,000</u>
<u>Analysis</u>	
At valuation	<u>1,800,000</u>
<u>Accumulated depreciation</u>	
1 January 2010 and 31 December 2010	-
<u>Net book amounts</u>	
31 December 2010	<u>1,800,000</u>
31 December 2009	<u>1,700,000</u>

**12. INVESTMENTS**

<b>Group</b>	<u>Market Value</u> <u>2010</u> £	<u>Market Value</u> <u>2009</u> £	<u>Cost</u> <u>2010</u> £	<u>Cost</u> <u>2009</u> £
<u>Quoted investments:</u>				
The Equities Investment Fund for Charities	748,131	697,064	617,498	617,498
Banco Santander (note 13(ii))	1,372	2,054	-	-
	749,503	699,118	617,498	617,498
<u>Unquoted investments in associated company:</u>				
Mortgage Options (Partnership Division) Limited	200,021	-	200,021	-
<u>Total investments</u>	949,524	699,118	817,519	617,498

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 2010**  
**(continued)**

13. INVESTMENTS (continued)

<b>Trust</b>	Percentage Of class of Shares held	<u>Market Value 2010</u> £	<u>Market Value 2009</u> £	<u>Cost 2010</u> £	<u>Cost 2009</u> £
Unquoted investments:					
Andrews and Partners Limited (note 13 (i))	66	5,565,270	5,427,000	6,388	6,388
Quoted investments:					
The Equities Investment Fund For Charities		748,131	697,064	617,498	617,498
Banco Santander (note 13 (ii))		1,372	2,054	-	-
		<u>749,503</u>	<u>699,118</u>	<u>617,498</u>	<u>617,498</u>
<b>TOTAL</b>		<u>6,314,773</u>	<u>6,126,118</u>	<u>623,886</u>	<u>623,886</u>
		<u>Group 2010</u> £	<u>Trust 2010</u> £	<u>Group 2009</u> £	<u>Trust 2009</u> £
Market value at beginning of year		699,118	6,126,118	641,418	5,806,653
Gain on revaluation		50,385	188,655	57,700	319,465
Market value at end of year		<u>749,503</u>	<u>6,314,773</u>	<u>699,118</u>	<u>6,126,118</u>

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

Notes

- (i) The principal activity of Andrews and Partners Ltd is in residential estate agency. In the year ended 31 December 2010 the Group reported a turnover of £27,523,800 (2009 £26,743,201) and a profit after tax for the financial year of £209,500 (2009: loss of £396,614). At 31 December 2010 the capital and reserves of the Group amounted to £8,432,227 (2009 £8,222,727).
- (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 2010**

**(continued)**

14. **DEBTORS**

	<u>Group</u> <u>2010</u>	<u>Trust</u> <u>2010</u>	<u>Group</u> <u>2009</u>	<u>Trust</u> <u>2009</u>
	£	£	£	£
Trade debtors	720,495	-	604,613	-
Other debtors	108,514	-	78,649	-
Prepayments and accrued income	651,113	4,648	679,916	4,648
Deferred tax asset (note 24)	383,024	-	468,461	-
	<u>1,863,146</u>	<u>4,648</u>	<u>1,831,639</u>	<u>4,648</u>

15. **CREDITORS:** Amounts falling due within one year

	<u>Group</u> <u>2010</u>	<u>Trust</u> <u>2010</u>	<u>Group</u> <u>2009</u>	<u>Trust</u> <u>2009</u>
	£	£	£	£
Trade creditors	374,183	-	366,244	-
Outstanding pension contributions	99,145	-	151,500	-
Taxation and social security	1,155,926	-	1,411,168	-
Accruals and deferred income	941,578	41,848	1,152,043	39,030
Other creditors	61,500	61,500	61,500	61,500
Debenture loan	700,000	-	-	-
Loan repayments due within 12 months	345,227	-	243,653	-
Corporation tax	53,990	-	6,072	-
	<u>3,731,549</u>	<u>103,348</u>	<u>3,392,180</u>	<u>100,530</u>

16. **CREDITORS:** amounts falling due after more than one year

	<u>Group</u> <u>2010</u>	<u>Group</u> <u>2009</u>
	£	£
Debenture loan-amount due between two and five years	-	700,000
Other loans –amount due between one and two years	240,949	184,989
Other loans –amount due between two and five years	230,707	87,155
	<u>471,656</u>	<u>972,144</u>

The debenture is secured on two freeholds of the group. Repayment is on an interest only basis until 2011. Interest is charged at 2% above Principality's commercial lending base rate.

The other loans are secured against the motor vehicles of the group. Repayment of capital and interest is made on a monthly basis until 2013. 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 2010**  
**(continued)**

**17. PROVISIONS FOR LIABILITIES AND CHARGES**

<b>The Group</b>	Clawback Provision (Note (i)) £	Endowment Claims (Note (ii)) £	Surveying Claims (Note (iii)) £	Onerous Leases (Note (iv)) £	Claim (Note (v)) £	Total £
At 1 January 2010	220,703	10,000	71,030	2,250	50,000	353,983
Utilised in the year	(118,144)	(5,056)	-	(2,250)	(50,000)	(175,450)
Released in year	-	(4,944)	-	-	-	(4,944)
Provided in the year	126,095	-	4,845	-	-	130,940
At 31 December 2010	228,654	-	75,875	-	-	304,529

**(i) Clawbacks**

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

**(ii) Endowment claims**

Provision has been made for compensation payable in respect of claims arising from incorrect advice given on endowment policies sold in the period from 29 April 1988 to 28 February 1993. Provision has been made according to the Directors' best estimate for claims received to date together with an estimated provision for future claims that may arise from past business written.

**(iii) Surveying claims**

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

**(iv) Onerous Leases**

Provision was made for the estimated future costs of the leases of premises where the group has ceased to trade. The provision was based on the remaining liability of the lease which has now come to an end.

**(v) Compensation Claim**

Provision was made for the estimated costs of a compensation claim which has now been settled.

**18. STAFF COSTS AND EMPLOYEES**

**Group and Trust**

	<u>2010</u> Number	<u>2009</u> Number
The average number of persons employed by the group was:-		
Estate Agency	284	250
Other activities	273	272
Charitable activities (employed by the Trust)	1	1
	558	523

**Group**

	<u>2010</u> £	<u>2009</u> £
Salaries	15,335,032	14,456,256
Social security costs	1,640,261	1,617,615
Defined contribution pension scheme contributions	580,654	599,254
	17,655,947	16,673,125

**ANDREWS CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2010**  
**(continued)**

18. STAFF COSTS AND EMPLOYEES (continued)

<b>Trust</b>	<u>2010</u>	<u>2009</u>
	£	£
Salaries	35,680	33,217
Social security costs	3,578	3,529
Defined contribution pension scheme contributions	2,800	2,800
	<u>42,058</u>	<u>39,546</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 (2009 £ nil).

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

19. TAXATION CHARGE ON PROFIT ON ORDINARY ACTIVITIES

<b>Group</b>	<u>2010</u>	<u>2009</u>
	£	£
UK corporation tax charge based on the profit for the year adjusted for tax purposes:		
- current year at 28% (28%)	53,990	21,071
- prior year overprovision	(9,797)	(15,000)
Total current tax charge/(credit)	<u>44,193</u>	<u>6,071</u>
Deferred tax - prior year	(5,073)	16,446
Deferred tax –effect of rate change	16,912	-
Deferred tax –current year	<u>73,598</u>	<u>209,350</u>
Tax on profit on ordinary activities	<u>129,630</u>	<u>231,867</u>

The tax for the period is lower than the standard rate of corporation tax in the UK (28%). The differences are explained below:

	<u>2010</u>	<u>2009</u>
	£	£
Profit/(loss) on ordinary activities at the UK tax rate at 28%	94,956	175,974
<i>Effects of:</i>		
Utilisation of losses	(84,070)	(239,843)
Expenses not deductible for tax purposes	35,359	58,958
Accelerated capital allowances / other timing differences	7,745	25,983
Adjustments in respect of previous periods	(9,797)	(15,001)
Total current tax charge	<u>44,193</u>	<u>6,071</u>

**ANDREWS CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2010**  
**(continued)**

20. 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>2010</u>	<u>Total</u> <u>2009</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Balance at 1 January	2,895,034	5,427,000	8,322,034	7,836,598
Profits retained in subsidiaries attributable to the Trust (note 4)	-	138,270	138,270	261,765
Net Movement in funds	(114,519)	-	(114,519)	223,671
Balance at 31 December	<u>2,780,515</u>	<u>5,565,270</u>	<u>8,345,785</u>	<u>8,322,034</u>

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

21. CONTINGENT LIABILITIES

At 31 December 2010 grants sanctioned by the Trustees but not yet spent amounted to £181,863 (31 December 2009 £479,200). The group had no other contingent liabilities.

Movements on Grant commitments

Grant commitments at 1 January 2010	<u>£</u> 479,200
Add: grants approved in year	70,000
Less: paid in year	(367,337)
Grant commitments at 31 December 2010	<u>181,863</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 31<sup>ST</sup> DECEMBER 2010**  
**(continued)**

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

	<u>2010</u>	<u>2009</u>
	£	£
Net (outgoing)/incoming resources for the year	(55,404)	512,585
Net interest receivable	(119,056)	(270,398)
Charitable donations made	-	96,075
Taxation charge	129,630	231,867
Operating result	(44,830)	570,129
Depreciation charges	1,217,401	1,263,340
Net profit on sale of tangible fixed assets	(43,186)	(4,390)
(Increase)/decrease in debtors	(110,073)	81,386
(Decrease)/increase in creditors	(510,123)	858,485
Decrease in provision for liabilities and charges	(49,454)	(53,838)
Net cash inflow from operating activities	459,735	2,715,112

**ANDREWS CHARITABLE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2010**  
**(continued)**

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

No Trustee received any remuneration from the Trust during the year (2009 nil). Two Trustees received reimbursement of travel expenses totalling £944 (2009 one trustee £158).

24. **DEFERRED TAXATION**

Breakdown of deferred tax debtor in note 14:

	2010	2009
	£	£
<hr/>		
<b>The Group</b>		
Accelerated capital allowances	196,788	180,213
Losses	156,175	243,217
Other timing differences	30,061	45,031
	<hr/>	<hr/>
	383,024	468,461
	<hr/>	

Reconciliation of movement in deferred tax during the year:

At 1 January 2010	468,461	
Profit and loss – prior year (note 19)	5,073	
Profit and loss – current year (note 19)	(90,510)	
	<hr/>	
At 31 December 2010	383,024	
	<hr/>	

**ANDREWS CHARITABLE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2010**

**(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>2010</u> £	<u>Land and Buildings</u> <u>2009</u> £
Expiring within one year	324,355	305,045
Expiring between one and five years	328,295	400,835
Expiring after five years	318,342	308,692
	<hr/> 970,992	<hr/> 1,014,572

The Trust itself had no operating lease commitments at 31 December 2010 or 31 December 2009.

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 Feilden	Kainos Community
A Radford	Andrews and Partners Limited
M Robson	Andrews and Partners Limited
D Saint	Andrews and Partners Limited
N Wright	Andrews and Partners Limited
D Westgate	Kainos Community

In 2010 a grant of £83,000 (2009: £48,500) was paid to Kainos Community. There were no related party transactions requiring disclosure in 2010 with Andrews and Partners Limited (2009 investment income received of £253,925). There were no balance sheet amounts due or owing to any related parties at 31 December 2010 or 31 December 2009.