

The Panacea Charitable Trust

REPORT AND FINANCIAL STATEMENTS

For the year ended

31 December 2022

Charity Registration No. 227530

The Panacea Charitable Trust

31 December 2022

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The Panacea Charitable Trust

TRUSTEES, OFFICERS AND ADVISERS

TRUSTEES

Mr E Jones (Chair)
Dr J J Meggitt*
Mr C N Monsell
Ms S Cows
Dr N Hilton
Rev Dr P Lockley
Dr I Beavis

*Dr J J Meggitt's term of office ended on 15th March 2023

EXECUTIVE OFFICER

Mr D McLynn ACMA

PRINCIPAL OFFICE

11 Newnham Road, Bedford, MK40 3NX

CHARITY NUMBER: 227530

AUDITOR

Collett Hulance Accountants Limited, 40 Kimbolton Road, Bedford, MK40 2NR

BANKERS

National Westminster Bank plc, 81 High Street, Bedford, MK40 1YN

INVESTMENT MANAGERS

Rathbones Investment Management, 20 Colmore Circus, Queensway, Birmingham, B4 6AT

PROPERTY MANAGERS

Thomas Charles Property Management, 160 Castle Road, Bedford, MK40 3SW

The Panacea Charitable Trust

TRUSTEES' REPORT

Report of the trustees for the year ended 31 December 2022

The trustees present their annual report and financial statements of the charity for the year ended 31 December 2022. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland effective 1 January 2019 (the Charities SORP).

Structure, Governance and Management

Background

The principal aim of the charity is to support the study of the Christian religion with particular emphasis on the teachings of Joanna Southcott and other prophets of the Visitation. It achieves this aim by funding academic research and sponsoring, publishing and distributing academic publications through the operation of a Museum of the history of the Visitation and the Panacea Society and its Centre for the Study of Apocalyptic and Millenarian Movements (CenSAMM). Alongside this work, the charity also supports recognised local organisations dealing with the relief of poverty and sickness, and educational and social support within the Bedford area.

Constitution

The charity was established as a Charitable Trust by a declaration of trust dated 24 July 1926 followed by a modernisation of the objects under a cy-pres scheme in 2001. A further modernisation of the governance of the charity took place in 2007. A new governing document was approved by the trustees on 27 February 2007 and was sealed by the Charity Commission on 20 March 2007, replacing the 1926 trust deed and 2001 scheme. The Commission approved a further scheme in February 2012 to change the name of the charity.

Recruitment and appointment of new trustees

The trustees feel that the most suitable candidates to be invited to become trustees are those who can demonstrate a clear empathy with the history and aims of the charity, have a recognised skill or competence, and can demonstrate a clear understanding of the role of a charity trustee.

New trustees are appointed by majority vote at a Special Meeting of the trustee body. Trustees serve a fixed term of 5 years; after which period they may put themselves forward for re-appointment. The Trust Deed provides for a minimum of 3 and a maximum of 8 trustees.

Induction and training of new trustees

The induction process for any newly appointed trustee comprises a series of meetings with fellow trustees and the charity's Executive Officer on a broad range of topics, including but not limited to: investments, grant making including selection criteria, accounting policies, powers and responsibilities of the Board, delegated powers of the Executive Officer, and risk management.

New trustees are given a copy of the charity's Governing Document, the last three years Reports and Accounts, copies of previous trustee meeting minutes, and the Charity Commission publication "the Essential Trustee – What You Need to Know, What You Need to Do".

Organisational structure and decision making

The charity's trustees are responsible for overall direction and policy-making, meeting at least three times per year. The trustees approve all investment decisions, grants, and set the broad strategy and areas of activity for the charity. The charity's trustees hold the title to all properties on behalf of the charity. The Executive Team has day-to-day responsibility for the management of the charity, including liaison with grantees, staff management, investment and financial administration, and all office functions. The Executive Team reports to the trustees formally at trustee meetings, and informally through telephone and email as and when necessary. To facilitate the management of the charity, two sub-committees, Administration and Grants, each comprising trustees and the Executive Officer and their deputy have been set up.

The charity benefits from the involvement and enthusiastic support of a number of volunteers who support the museum and archive staff across a range of day-to-day activities. In accordance with the Charities SORP, the economic contribution of general volunteers is not recognised in these accounts.

The Panacea Charitable Trust

TRUSTEES' REPORT

Major Risks

The trustees have considered the major strategic, business, heritage and operational risks that the charity faces, and consider that it has minimal exposure to them. This is documented in the charity's Risk Matrix. Accounting systems and controls are in place, managed by the Executive Officer. A formal risk assessment has been developed.

Where necessary the trustees maintain suitable insurance to cover all perceived risks to minimise any potential loss to the charity. Property investments are insured for rebuilding costs. Other tangible and heritage assets are also insured.

Public Benefit

We have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Objectives and Activities for the Public Benefit

Objects

The objects of the charity are:

To advance the Christian religion (and in doing so the trustees may have regard to the teachings of Joanna Southcott and her successors);

In furtherance of Christian principles to relieve both poverty and sickness and to advance education both generally and in the production, publication and dissemination of religious works.

Objectives

The Trustees have resolved that, under the above objects, the charity will:

1. Educate and disseminate information to the public about the Christian religion, particularly the history, beliefs and practices of the Panacea Society, its antecedents and similar Christian religious groups, which is achieved by:
 - 1.1 Fund, support and co-ordinate academic research, seminars and conferences and their outputs;
 - 1.2 Operate a museum on the site of the former community and maintaining in perpetuity the collection displayed in the museum;
 - 1.3 Maintain and make available the charity's archive of books, manuscripts and papers;
 - 1.4 Support any other activities that the trustees consider will help the charity to achieve this objective.
2. Make grants for the relief of poverty and sickness and to advance education generally, primarily in Bedford and the surrounding area.

Grants

The charity began its grant making activities in 2001, and since that time has made a number of grants to both local and national organisations, basing its award criteria on the areas of education, and poverty, sickness and social support.

Education grants are made in two main ways:

- through supporting research projects at various UK universities;
- by sponsoring, or supporting, academic conferences.

All educational grants are assessed and awarded directly by the Panacea Charitable Trust, taking expert advice as and where necessary. With the creation and ongoing development of CenSamm, the charity has discontinued its Education grant-making programme.

Poverty, sickness and social related grants are designated to support Bedford and its surrounding local community across a broad range of initiatives and recipients, to provide a range of valuable work and support in the area. Periodic application windows are opened between one and two times each year, with criteria and guidance information published on the charity's website.

The Panacea Charitable Trust

TRUSTEES' REPORT

Main aims for the year

Using the charity's own resources, the charity set the following as its main aims for the year:

1. To continue to develop the museum and archives to as wide an audience as possible and as the focal point of the charity;
2. To continue to develop CenSAMM to further support relevant academic research into clearly defined aspects of the Christian religion (Apocalyptic, Millenarianism, and Prophecy);
3. To continue to help those affected by poverty and or sickness in the Bedford area;
4. To continue to enhance the awareness of the work of the charity within the local community.

Strategies for achieving aims

The strategies adopted during the year for achieving the charity's aims were as follows:

1. Develop and market the charity's museum (the Panacea Museum);
2. Develop a wider network of academics, institutions, and interest groups in order that the charity's education centre, CenSAMM (the Centre for the Study of Apocalyptic and Millenarian Movements) receives high quality education materials from respected authorities in the areas of apocalyptic and millenarian movements;
3. Develop and maintain relationships with key local grant-funding organisations in order to more effectively administer and distribute a part of the charity's annual charitable expenditure budget;
4. Make use of digital imaging and database software to develop the charity's unique archive;
5. Maintain and enhance the charity's three websites as the primary communication tool to third parties, thereby explaining both the background and present work of the charity.

Significant activities

The trustees have approved a set of criteria that they consider meets their objectives, the full details of which can be found on the charity's website www.panaceatrust.org.

Applying these criteria during the year, the trustees approved the following charitable expenditure.

1. Under object 1, £375,703 for the Panacea Museum, CenSAMM, and archives. Expenditure in the year included additional development to the CenSAMM Dictionary of Apocalyptic and Millenarian Movements (CDAMM), and ongoing costs of delivering the Panacea Museum and costs of developing the charity's unique archive.
2. Under object 2, £127,242 to fund poverty, sickness and education grants that were directed towards supporting organisations and groups whose work covers health and social work within the local community.

The figures quoted in items 1 & 2 (above) include support costs whereas the figures quoted in the Review of Charitable Activities (below) only include direct expenditure on those projects.

Achievements and performance

Review of charitable activities

The charity focused on its three main strands of charitable activity in the year:

1. The Panacea Museum. The Panacea Museum opened for ten months of 2022, compared with six in 2021. In 2022 the charity had 5,010 visitors to its museum complex of two main buildings, outbuildings, and gardens, an increase of 3,132 versus the previous year.
2. Centre for the Study of Apocalyptic and Millenarian Movements (CenSAMM). In 2022, CenSAMM focused on engagement with those identified as the target audience through: further developing the Centre's website, organisation of a conference and symposium held virtually and further development of its online academic resource, CDAMM.
3. Grant making programme. The charity continued to support a broad range of charities working in the Borough of Bedford through administering a non-academic grant-making programme, which awarded £112,155 in 2022 compared with £130,470 in 2021.

Fundraising

The charity does not carry out any fundraising activities.

The Panacea Charitable Trust

TRUSTEES' REPORT

Investment Performance

The effective management of investments is an important aspect of the ongoing work of the trustees and staff, as they are the main source of income available to the charity. Investments are held in UK residential and commercial property ("investment properties") and equities, bonds and cash ("financial investments"). The trustees periodically monitor both classes of investment in terms of weightings and performance.

The charity's investment portfolio mirrored the broader market trends during the year. Investment properties, accounting for approximately a third of the charity's investments by value, improved their 2021 capital values by 10%. Annual rental income derived from these properties was £270,816, an increase of over 5% (2021: £257,170). This reflects the continued appeal of the charity's rental property portfolio and few void periods or tenant changes in the year. Individual rentals achieved reflect current market levels, as advised by the charity's managing agents. The trustees remain satisfied with the work of the charity's property managers in managing the charity's property assets.

The charity's financial investments reflected the performance of the market as a whole, showing a 4.8% capital loss in the year. Overall income derived from those investments, £509,815, performed well against a target of just under £390,000 the charity set for its investment managers in January 2022, representing an increase of 25% on the previous year (2021: £402,709). The trustees remain satisfied with the work of the charity's investment managers in managing the charity's investment assets, and have communicated an expectation of similar levels of investment income for the 2023 financial year.

Financial Review

Income and Expenditure

Total income for the year was £784,231 (2021: £683,583), and total expenditure was £768,193 (2021: £717,564), leaving net income of £16,038 (2021: £33,981 deficit). The net increase in funds after revaluation of investments and fixed assets was £351,255 (2021: £4,352,785).

Reserves Policy

The trustees continue to keep the charity's reserves policy under review, and aim to distribute up to 100% of net income after all expenses and investment allocations for the current year and thereafter.

The charity is reliant on income from its portfolio of investments, principally managed funds and investment properties, to support its work. It has funds to call upon if expenditure exceeds income in any particular year.

Investment Policy

The financial investment objective is to generate a total return of inflation plus 3% per annum, after expenses, over the long term. This should allow the Charity to at least maintain the real value of the assets, whilst funding annual charitable expenditure in the region of 3% per annum, which meets trustee requirements to generate both income and long-term capital growth.

In addition, a portfolio of properties is held yielding rental income and long-term capital growth. The trustees consider that the use of both portfolios enables the charity to realise its policy and spread the risks associated with the investment market.

Plans for Future Periods

The charity plans to continue to build on the work it has previously undertaken to further develop both the Panacea Museum and CenSAMM. The charity also plans to continue applying part of its funds to the relief of poverty and sickness in the Bedford area through the work of recognised local health and social care related organisations through its own programme and through a new programme, Bedford Giving, a new partnership the charity entered into with other local funding organisations.

Key Management Personnel Remuneration

The trustees consider the board of trustees and the senior staff as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee

The Panacea Charitable Trust

TRUSTEES' REPORT

expenses and related party transactions are disclosed in note 9 to the accounts. Trustees are required to disclose all relevant interests and register them with the Executive Officer and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises.

The remuneration of all staff is reviewed annually by the trustees, taking into account sector and professional comparatives. As part of the review process reference is also made to the government's annual inflation measures.

Auditor

The trustees in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the trustees have confirmed that they have taken all the steps they ought to take as trustees in order to make themselves aware of any relevant audit information and establish that it has been communicated to the auditor.

Collett Hulance Accountants Limited has indicated its willingness to continue in office.

On behalf of the trustees



Evan Jones, Trustee 28th July 2023

The Panacea Charitable Trust

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Annual 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 and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgments and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- Prepare the accounts on a going concern basis unless it is inappropriate to presume that the charity will continue in business

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE PANACEA CHARITABLE TRUST

Opinion

We have audited the financial statements of The Panacea Charitable Trust (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE PANACEA CHARITABLE TRUST (CONTINUED)

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, set out on page 7, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to the charity and how the charity is complying with that framework. We considered the susceptibility of the financial statements to material misstatement, including how fraud might occur and we obtained an understanding of the charity's current activities, the scope of its authorisation and the effectiveness of its control environment. These procedures are considered to be sufficient to identify material misstatements in respect of irregularities, including fraud, but cannot be relied upon to detect every potential misstatement.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

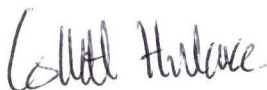
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE PANACEA CHARITABLE TRUST
(CONTINUED)

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Collett Hulance Accountants Limited
Chartered Certified Accountants & statutory auditor
40 Kimbolton Road
Bedford
MK40 2NR

Date: 11th August 2023

The Panacea Charitable Trust
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2022

	Notes	Total Funds 2022 £	Total Funds 2021 £
Income from:			
Investment income	1	780,631	659,879
Other income		3,600	23,704
Total income		<u>784,231</u>	<u>683,583</u>
Expenditure on:			
Investment management costs	3	265,248	265,663
Charitable activities	4,5,7	502,945	451,901
Total expenditure		<u>768,193</u>	<u>717,564</u>
(Loss)/Gain on revaluation of investments	13	(125,094)	3,978,941
Net (expenditure)/income before transfers		<u>(109,056)</u>	<u>3,944,960</u>
Other recognised gains and losses:			
Gain on revaluation of tangible fixed assets	12	460,311	407,825
Net movement in funds		<u>351,255</u>	<u>4,352,785</u>
Balance at 1 January 2022		41,022,673	36,669,888
Balance at 31 December 2022		<u><u>41,373,928</u></u>	<u><u>41,022,673</u></u>

The Panacea Charitable Trust

BALANCE SHEET


31 December 2022

Charity Number 227530


	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible fixed assets	12	6,191,291	5,608,001
Investments	13	35,205,636	35,404,632
		<u>41,396,927</u>	<u>41,012,633</u>
CURRENT ASSETS			
Debtors	14	24,441	2,677
Cash at bank and in hand		88,276	108,058
		<u>112,717</u>	<u>110,735</u>
CREDITORS: Amounts falling due within one year	15	135,716	100,695
NET CURRENT (LIABILITIES)/ASSETS		<u>(22,999)</u>	<u>10,040</u>
NET ASSETS		<u>41,373,928</u>	<u>41,022,673</u>
FUNDS			
Unrestricted fund		41,373,928	41,022,673
		<u>41,373,928</u>	<u>41,022,673</u>

The notes on pages 14 to 24 form part of these financial statements.

The financial statements were approved by the trustees and authorised for issue on 28th July 2023 and signed on their behalf by:



Evan Jones, Trustee



Charles Nicholas Monsell, Trustee

The Panacea Charitable Trust
STATEMENT OF CASH FLOWS
For the year ended 31 December 2022

	<i>Notes</i>	2022 £	2021 £
Net cash used in operating activities	19	(620,127)	(605,396)
Cash Flows from investing activities			
Interest and dividends		488,051	414,053
Rental income		270,816	257,170
Proceeds of disposal of tangible fixed assets		6,667	-
Purchase of tangible fixed assets		(129,646)	(38,878)
Purchase of investment properties		(35,543)	(46,530)
Net cash provided by investing activities		600,345	585,815
Change in cash and cash equivalents in the year		(19,782)	(19,581)
Cash and cash equivalents brought forward		108,058	127,639
Cash and cash equivalents carried forward		88,276	108,058

The Panacea Charitable Trust

ACCOUNTING POLICIES

For the year ended 31 December 2022

BASIS OF ACCOUNTING

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011. The financial statements are prepared in sterling, which is the functional currency of the Trust. Monetary amounts in these financial statements are rounded to the nearest £1. The charity is an unincorporated charitable trust registered in England. The principal office of the Trust is shown on page 1.

The charity constitutes a public benefit entity as defined by FRS 102.

GOING CONCERN

There are no material uncertainties in respect of going concern due to reliable investment income underpinned by substantial long term financial assets.

INCOME RECOGNITION

Interest on Government Securities and dividends on UK quoted equities, interest on bank deposits, and rental income is accounted for on an accruals basis.

Other income such as donations and legacies is recognised in the Statement of Financial Activities once the charity has entitlement to the resources, it is probable that the resources will be received and the monetary value of income can be measured with sufficient reliability.

EXPENDITURE RECOGNITION

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. Expenditure, including irrecoverable VAT, is included on an accruals basis. Key management personnel remuneration costs together with all support costs and governance costs have been apportioned between investment management costs and on charitable activities on a time apportioned basis.

INVESTMENT MANAGEMENT COSTS

Investment management costs comprise those costs directly attributable to managing the investment portfolio and raising investment income.

GOVERNMENT GRANTS RECEIVABLE

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the charity recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when

The Panacea Charitable Trust

ACCOUNTING POLICIES

For the year ended 31 December 2022

the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

GRANTS PAYABLE

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attached are fulfilled.

ALLOCATION OF SUPPORT AND GOVERNANCE COSTS

Governance costs are associated with the governance arrangements of the charity, in particular the activities of the trustees. These costs include audit, legal advice for trustees and costs associated with meeting constitutional and statutory requirements such as the cost of trustee meetings and the preparation of statutory accounts. This category also includes costs associated with the strategic as opposed to the day-to-day management of the charity's activities. Governance and support costs have been apportioned between investment management costs and charitable activities on the basis of time spent.

TANGIBLE FIXED ASSETS

Tangible fixed assets comprise functional freehold properties used as the charity's offices and in furtherance of its aims, assets in the course of construction, certain furniture and chattels, and office equipment.

All functional properties are held at valuation, and maintained with a view to ensuring that total residual values are not less than values at which they are recorded in the accounts of the charity and consequently have not been depreciated.

Properties in the course of construction are carried at cost, less any identified impairment loss. Cost includes professional fees and other directly attributable costs that are necessary to bring the property to its operating condition. Depreciation commences when the properties are ready for their intended use.

Furniture and chattels are held at valuation, and are reviewed annually to consider any material changes likely to affect the balance sheet valuation. Such assets are not subject to depreciation as the trustees review their carrying value each year and adjust as appropriate.

Revaluation gains are recognised in other gains and losses. Revaluation losses are recognised in expenditure on charitable activities except to the extent that they reverse previously recognised gains.

Museum assets, office equipment, and motor vehicles purchased in direct furtherance of charitable activities are capitalised if the purchase value exceeds £5,000. Depreciation is charged at 25% on a straight-line basis on these capitalised assets.

HERITAGE ASSETS

In addition to the fixed assets noted above, the charity possesses a highly significant and unique collection of manuscripts and documents, artefacts and items of religious significance, along with Joanna Southcott's box. These items have been collected over many years since the inception of the charity. The collection is held by the charity in pursuit of preservation or conservation objectives and accordingly the trustees consider them to be heritage assets, as defined by the SORP FRS 102. It is the trustees' policy that any costs of conservation are not capitalised, but expensed as incurred. The charity employs a Conservator to ensure heritage assets are maintained in line with industry standards.

Acquisitions are made by purchase or donation. Assets which have been purchased and can be readily ascribed a value have been capitalised in the financial statements at cost. No value has been ascribed to the collection for assets which have been gifted in the past in these financial statements as there is no reliable cost information available or indeed suitable valuation techniques that are reliable. Therefore, due to the religious and unique nature of these items, it is not considered appropriate to recognise a value relating to the collection. The collection is catalogued and managed by the trustees.

It is the trustees' policy to add to this unique collection whenever the opportunity arises.

The Panacea Charitable Trust

ACCOUNTING POLICIES

For the year ended 31 December 2022

FIXED ASSET INVESTMENTS

Fixed asset investments comprise those freehold properties which are currently let, certain furniture and chattels, listed investments and cash on deposit. Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

PENSIONS

The Trust operates a Group Personal Pension Plan with Scottish Life that is open to all members of staff. The pension costs charged to the Statement of Financial Activities represent the contributions payable by the Trust during the year.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

Trade debtors which are receivable within one year are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are those used by the Trust in calculating the value of both functional and investment properties (see notes 12 and 13 for details).

The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2022

1	INVESTMENT INCOME		2022 £	2021 £
	Dividends		509,815	402,709
	Rental income		270,816	257,170
			<u>780,631</u>	<u>659,879</u>
2	ALLOCATION OF INDIRECT COSTS & OVERHEADS			
		Total	Cost of Generating Funds	Charitable Activities
	2022	£	£	£
	Staff	172,624	86,312	86,312
	Property	54,094	54,094	-
	Office/Other	33,042	17,068	15,974
		<u>259,760</u>	<u>157,474</u>	<u>102,286</u>
	2021	£	£	£
	Staff	155,827	77,915	77,912
	Property	60,510	60,510	-
	Office/Other	34,643	17,691	16,952
		<u>250,980</u>	<u>156,116</u>	<u>94,864</u>
3	INVESTMENT MANAGEMENT COSTS		2022 £	2021 £
	Fund management fees		107,774	109,547
	Investment properties management fees		17,602	17,197
	Investment properties maintenance and refurbishment		23,542	30,936
	Wages and salaries		86,312	77,915
	Insurance		12,448	10,364
	Miscellaneous/Other		17,570	19,704
			<u>265,248</u>	<u>265,663</u>

The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2022

4	CHARITABLE ACTIVITIES	2022 £	2021 £
	Museum & Archives		
	Museum Exhibition	132,026	104,108
	Archives and Conservation	27,893	29,711
	CenSAMM Project	103,431	74,363
	Wages and salaries	26,852	25,831
	Functional Properties - Maintenance and refurbishment	1,560	1,572
	Insurance	5,335	4,441
	Service/Other Costs	<u>18,259</u>	<u>12,372</u>
	Total exc. Grants and donations	315,356	252,398
	Grants & Donations (note 7)		
	Health/Social Grants	<u>112,155</u>	<u>130,470</u>
	Total Grants & Donations	112,155	130,470
	Support Costs (notes 2 & 5)		
	Wages & salaries	59,460	52,081
	Other - including governance costs	<u>15,974</u>	<u>16,952</u>
	Total Support Costs	75,434	69,033
		<u>502,945</u>	<u>451,901</u>

5	ANALYSIS OF CHARITABLE ACTIVITIES	2022 £ Core Funding	2022 £ Support Costs	2022 £ Total	2021 £ Core Funding	2021 £ Support Costs	2021 £ Total
	Museum, Archives & CenSAMM	315,356	60,347	375,703	252,398	55,226	307,624
	Health/Social Grants	112,155	15,087	127,242	130,470	13,807	144,277
		<u>427,511</u>	<u>75,434</u>	<u>502,945</u>	<u>382,868</u>	<u>69,033</u>	<u>451,901</u>

6	GRANTS RECEIVABLE	2022 £	2021 £
	Government grant income	-	23,104

The Panacea Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

7	GRANTS PAYABLE	Paid in the year £	2022 Total £
	Grants committed at 1 January 2021 (net)		(56,000)
	Paid in the year:		
	GRANT AWARDS		
	Poverty, sickness and health grants programme	108,155	
	Total paid in the year		108,155
	Future commitments payable (note 15):		60,000
			112,155
	The major recipients for future grants are:	2022 £	
	Bedford Giving	50,000	
	The Counselling Foundation	10,000	
		60,000	
	All grants are payable to organisations only; no grants are payable to individuals.		
8	ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL	2022 No.	2021 No.
	The average number of employees during the year was:		
	Maintenance and refurbishment	3	3
	Administration	2	2
	Museum, Archives & CENSAMM	8	7
		13	12

The Panacea Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

8 ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL (continued)

	2022 £	2021 £
Staff costs for above persons:		
Wages and salaries	293,000	272,629
Social security costs	26,262	18,400
Other pension costs	15,604	13,278
	<u>334,866</u>	<u>304,307</u>

There were no employees whose emoluments amounted to more than £60,000 in the year (2021: none).

The charity considers its key management personnel comprise the trustees and the two (2021: 2) employees in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. The total employment benefits including employer pension contributions of the key management personnel were £106,451 (2021: £96,428). No trustees received remuneration from the charity in their capacity as trustees.

In addition to paid employees, a small number of unpaid volunteers provide valuable support to the museum and archives activities of the charity.

9 RELATED PARTY TRANSACTIONS AND TRUSTEES' REMUNERATION

Two trustees were reimbursed during the year for travel expenses of £470 (2021: one, £57).

Rent of £16,800 (2021: £16,800) was received from key management personnel during the year. There were no amounts outstanding at year end (2021: £nil).

10 AUDITOR'S REMUNERATION

The auditor's remuneration, including irrecoverable VAT, constituted an audit fee of £8,820 (2021: £8,160).

11 VOLUNTEERS

The charity reimbursed volunteers' travel and subsistence expenses of £1,432 (2021: £537).

The Panacea Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

12 TANGIBLE FIXED ASSETS

	Functional Properties £	Assets in the course of construction £	Furniture, Chattels & Heritage Assets £	Office Equipment & Motor Vehicles £	Museum Assets £	Total £
Cost or valuation:						
1 January 2021	5,543,522	-	64,479	40,452	152,268	5,800,721
Additions	129,646	-	-	-	-	129,646
Disposals	-	-	(4,213)	-	-	(4,213)
Revaluation	457,857	-	-	-	-	457,857
31 December 2022	<u>6,131,025</u>	<u>-</u>	<u>60,266</u>	<u>40,452</u>	<u>152,268</u>	<u>6,384,011</u>
Depreciation:						
1 January 2022	-	-	-	40,452	152,268	192,720
31 December 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,452</u>	<u>152,268</u>	<u>192,720</u>
Net book value						
31 December 2022	<u>6,131,025</u>	<u>-</u>	<u>60,266</u>	<u>-</u>	<u>-</u>	<u>6,191,291</u>
31 December 2022	<u>5,543,522</u>	<u>-</u>	<u>64,479</u>	<u>-</u>	<u>-</u>	<u>5,608,001</u>

The functional properties were formally valued to determine fair value according to standard market practices by Messrs Jones, Norris, Adams, Chartered Surveyors, in April 2013. This valuation has been reviewed by the trustees at the balance sheet date, and based on published indices and knowledge of local market conditions, the trustees have updated the valuation to reflect changes in these. The cost of these properties to the charity was £272,535, plus improvement expenditure of circa £2,053,000.

The furniture and chattels are included at the valuation provided by Messrs W&H Peacock Auctioneers and Valuers in May 2013. This valuation was reviewed by the trustees at 31 December 2018 and deemed to be appropriate.

Included within furniture, chattels & heritage assets are £13,717 heritage assets purchased in 2008. These assets are not depreciated. There have been no other acquisitions of heritage assets since that date. During the year chattels with a book cost of £4,213 were sold for £6,667. Further details of heritage assets are included in Note 18.

The Panacea Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

13 INVESTMENTS

	Investment properties £	Listed investments £	Total £
Valuation at 1 January 2022	11,618,146	23,786,486	35,404,632
Less: Management fee charges	-	(109,445)	(109,445)
Additions	35,543	-	35,543
Gain/(loss) in the year	1,157,162	(1,282,256)	(125,094)
Valuation at 31 December 2022	<u>12,810,851</u>	<u>22,394,785</u>	<u>35,205,636</u>

The investment properties are included at market value. The properties were formally valued to determine fair value according to standard market practices by Messrs Jones, Norris, Adams, Chartered Surveyors, in April 2013. This valuation has been reviewed by the trustees at the balance sheet date and based on published indices and knowledge of local market conditions, the trustees have updated the valuation to reflect changes in these.

13(i) LISTED INVESTMENTS ANALYSIS

	2022 £	2021 £
UK Securities	9,075,587	8,671,928
Overseas Securities	12,899,634	14,395,845
Market value of investments	<u>21,975,221</u>	<u>23,067,773</u>
Cash held by Investment Manager	419,564	718,713
	<u>22,394,785</u>	<u>23,786,486</u>

The listed investments are made up as follows:

	2022 £	2021 £
Equities	18,080,130	20,308,395
Fixed Interest Securities	3,895,091	2,759,378
	<u>21,975,221</u>	<u>23,067,773</u>

14 DEBTORS

	2022 £	2021 £
Prepayments and accrued income	24,441	2,677
	<u>24,441</u>	<u>2,677</u>

The Panacea Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

15	CREDITORS: Amounts falling due within one year	2022 £	2021 £
	Grants payable	60,000	56,000
	Accruals and deferred income	75,716	38,095
	Other tax and social security	-	6,600
		<u>135,716</u>	<u>100,695</u>

16 DEFERRED INCOME

Deferred income comprises investment property rentals received in advance

	2022 £	2021 £
Balance as at 1 January 2022	-	5,424
Amount released to income earned from charitable activities	-	(5,424)
Amount deferred in year	-	-
Balance as at 31 December 2022	<u>-</u>	<u>-</u>

17 ANALYSIS OF NET ASSETS BY FUND

Unrestricted funds

	2022 £	2021 £
Tangible fixed assets	6,191,291	5,608,001
Investments	35,205,636	35,404,632
Net current (liabilities)/assets	(22,999)	10,040
	<u>41,373,928</u>	<u>41,022,673</u>

18 HERITAGE ASSETS

The charity's heritage assets relate to the history of the Visitation, in particular the life and work of the prophetess Joanna Southcott. There are three distinct parts to the collection: Joanna Southcott's box and other items of material culture, books and manuscripts, and the charity's archive record of the work of the Panacea Society since its inception.

Acquisitions are made by purchase or donation. Assets which have been purchased and can be readily ascribed a value have been capitalised in the financial statements at cost.

No value has been ascribed to the collection for assets which have been gifted in the past in these financial statements as there is no reliable cost information available or indeed suitable valuation techniques that are reliable. In the opinion of the Trustees, reliable information on cost or valuation is not available for the charity's collections. This is owing to the lack of information on purchase cost; the lack of comparable market values; the diverse nature of the objects; and the volume of items held. These collections are therefore not reported as assets in the balance sheet. All heritage assets are available for consultation by researchers by appointment.

The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2022

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

	2022 £	2021 £
Net movement in funds	351,255	4,352,785
Adjustments for:		
(Gain) on investment properties	(1,157,162)	(1,238,044)
Loss on listed investments	1,391,701	(2,634,512)
Interest and dividends	(509,815)	(402,709)
Rental income	(270,816)	(257,170)
(Gain) on revaluation of tangible fixed assets	(457,857)	(407,825)
(Gain) on sale of tangible fixed assets	(2,454)	-
Operating cash flows before movements in working capital	(655,148)	(587,475)
(Increase)/decrease in debtors	-	-
Increase/(decrease) in creditors	35,021	(17,921)
Cash used in operating activities	(620,127)	(605,396)

20 FINANCIAL INSTRUMENTS

	2022 £	2021 £
The carrying amount of the Trust's financial instruments at 31 December were:		
Financial Assets		
Measured at fair value through SOFA	22,394,785	23,786,486

21 OPERATING LEASES

Investment income received in the form of property rentals was all due within one year.