

JOHN MARTIN'S CHARITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023



JOHN MARTIN'S CHARITY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mrs Julie Westlake (Chair)
Mrs Valerie Butler (Vice Chair)
Mr P Airdrie
Mr S Allerton
The Reverend M Binney
Mr A Booth
Mrs M Griffiths
Miss S Murphy
Mrs J Osborne
Mr C Scorse
Mr J Smith, OBE
Mr J Wilson

Correspondents

Mr John Daniels
Mrs Jan Dodwell
Mrs Nicola Fisher

Clerk to the Trustees
Senior Administrator
Accounts Administrator

Charity number

527473

Principal address

16 Queens Road
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United Kingdom
WR11 4JN

Auditor

Azets Audit Services
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Gloucester Business Park
Gloucester
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GL3 4AD

Bankers

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19 High Street
Evesham
Worcestershire
United Kingdom
WR11 4DQ

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
United Kingdom
ME19 4JQ

JOHN MARTIN'S CHARITY

LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors

Anthony Collins LLP
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Saunders Roberts
58 Bridge Street
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WR11 4SG
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One Angel Lane
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EC4V4ET
United Kingdom

Schroder & Co Ltd T/as
Cazenave Capital
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EC2Y5AU
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JOHN MARTIN'S CHARITY

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JOHN MARTIN'S CHARITY

TRUSTEES ' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, 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 (FRS 102) (effective 1 January 2019)".

Objectives and activities

Aims

Under the terms of John Martin's original Will and a Scheme approved by the Charity Commission, the overall aim of the Charity is to benefit the residents of the town and neighbourhood of Evesham, Worcestershire. This is achieved through the implementation of four main aims:

- Propagation of the Christian Gospel (Religious support).
- Relief in need.
- Promotion of education.
- Health.

The Trustees have had due regard for the Charity Commission's general guidance on public benefit and its three supplementary guides for the Advancement of Religion, Education and the Relief of Poverty. They are satisfied that the current aims, objectives and activities are for the public benefit and are comparable with the updated descriptions of charitable purposes detailed in the Charities Act 2011.

The objectives shown below are shaped by these four aims and they are detailed within the above mentioned Scheme.

Objectives

Religious support

To assist the Vicar in Hampton and Bengeworth and the three Parochial Church Councils within the town of Evesham.

Relief in need

To assist generally or individually; persons resident within the town of Evesham who are in conditions of need, hardship and distress.

Promotion of education

To promote education to persons residing within the town of Evesham and to provide benefits to schools in the town.

Health and other charitable purposes

The Trustees have wide ranging authority within the Scheme to provide such charitable purposes as they see fit, for either assisting beneficiaries within the town of Evesham or within the immediate neighbourhood. The Trustees mainly use this ability to support people with chronic and other related health issues across a wider beneficial area. This area is detailed on the Charity's website.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

JOHN MARTIN'S CHARITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Activities

The Trustees look to achieve the above objectives in a number of different ways and the following activities are specifically detailed within the Scheme:

- to pay towards the defraying of the expenses of the office of Vicar or Priest in Charge in the Parishes of St Andrew's, Hampton and St Peter's, Bengeworth;
- to pay towards the defraying of the Parochial Church Council's expenditure in maintaining church buildings and furthering religious and educational work in the said three ecclesiastical Parishes of St Andrew's, Hampton, St Peter's, Bengeworth and All Saints' and St Lawrence in Evesham, and;
- to pay towards providing Hampton First School (formerly St Andrew's Church of England First School), such special benefits not normally provided by the local education authority.

After allowing for the Charity's normal operating costs in respect of its administration and management, the total allocation between the above beneficiaries is not allowed to exceed 21% of the remaining income. This percentage has not been exceeded.

Other activities currently detailed include the provision of items and services calculated to reduce need, hardship or distress, either directly to individuals or to organisations that will provide such support. Local schools are assisted with funding for special educational benefits over and above those supplied by the Local Education Authority. Individual students, aged from 4 to 65, are supported through the provision of grants to assist them in their education and people with chronic health and health related issues are also assisted with items or services which will either aid or help to alleviate their condition.

The Charity does not use volunteers for any of its activities.

Grant Making Policy

In providing benefits to Church of England Clergy, the Charity helps to ensure that pastoral care is available to those living within the specific parishes and by assisting the local Parochial Church Councils, that the churches' mission and buildings are maintained. These are both in line with the benefactor's original aims.

Assistance is not limited to the Church of England; other Christian groups are able to apply and some of these have been supported when their requests fall within the Charity's "relief in need" criteria.

Within the terms of the Scheme, the Trustees have the authority to make such policies as they see fit in order to meet the specific objectives. These policies are reviewed on a regular basis to ensure that grants awarded still meet these objectives and a full review occurred during this financial year. They are also adjusted to take account of new legislation, best practice, grant trends or other matters. The Office assists in this process by making recommendations although the final decision is a matter for the Trustees alone.

The Charity invites applications through a variety of methods including; public notices, advertisements, leaflets, the website and via other agencies. Upon receipt, an application is checked against the specific criteria for that type of grant request and the applicant is interviewed. In some circumstances a home visit may also be undertaken. Once the relevant information has been obtained consideration is then given to the application which is either approved, rejected or, if mitigating circumstances are evident, reported to the Board of Trustees for further deliberation. Grant assistance is sometimes tempered if an applicant becomes over reliant on the Charity. This is in order to prevent any detriment or harm that the over reliance could cause, such as the loss of general community assistance for organisations or the cancellation of state benefits for individuals.

With the exception of the Pensioners' Winter Heating Award and the majority of Student Grants, applications can be made at any time throughout the year. The time restriction on Student Grants is to ensure that the overall budget allocation is divided fairly between all of the applicants.

JOHN MARTIN'S CHARITY

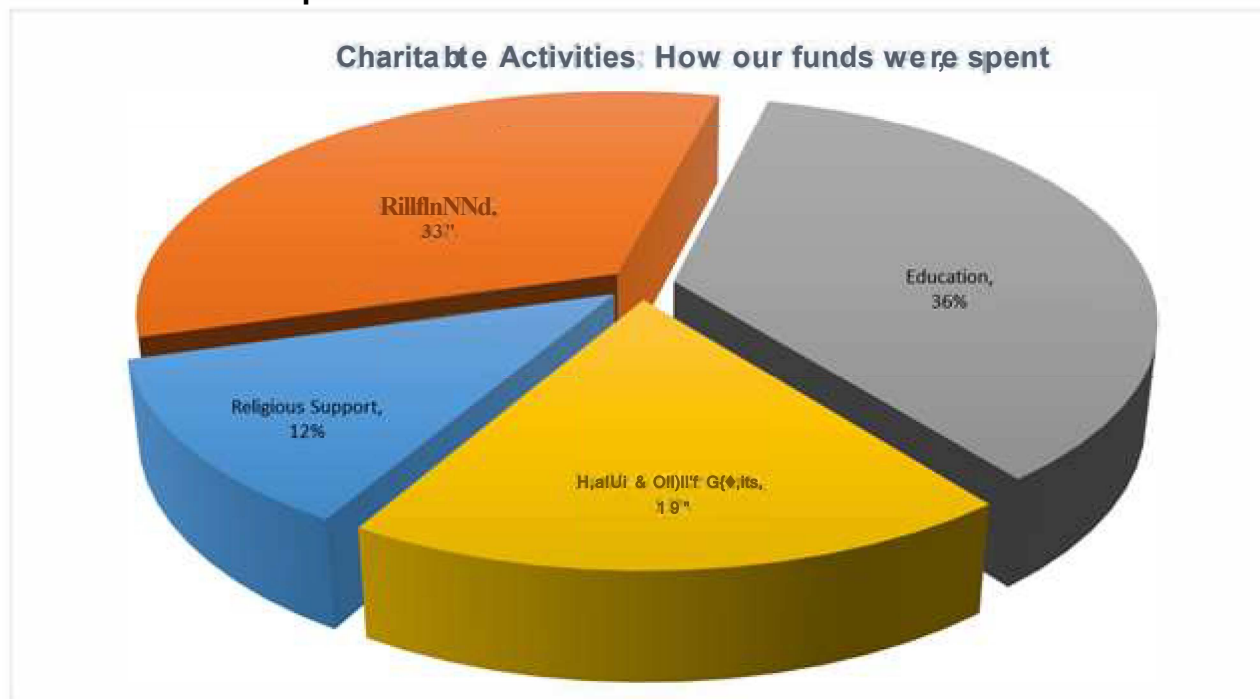
TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

In setting out their Policy the Trustees ensure that the public's opportunity to benefit from charitable assistance is not unreasonably restricted. The town of Evesham is deemed to be a sufficiently wide area in which to distribute the majority of the funds, with a larger beneficial area being available for health related grants. Applications are accepted from anyone living within the beneficial area regardless of their religious, ethnic or national background, provided that they meet the specific criteria for the type of grant being requested. This ensures that the grants, where approved, relate directly to the Charity's aims and objectives.

Financial assessments and specific grant criteria help the Trustees target assistance at applicants who fall within the stated aims; for instance, confirmation that a student is attending the agreed course is required before their grant is paid and evidence that state benefits have been applied for is required for other grants. Some grants are specifically targeted at those on a low income or who are in poverty, whereas others are awarded to recognise an individual's achievement. In addition, whilst the Charity is always keen to use local suppliers for goods and services, specific contracts are not generally agreed to ensure that no one supplier is favoured over another. Any private benefit received either by the applicant or supplier is therefore incidental to the grant. The Charity does not charge fees for any of its services.

Achievements and performance



Religious support

The Charity has continued to meet its objectives under the Scheme in supporting the nominated Vicar and Parochial Church Councils (P.C.C). The basic funding allocations are agreed at the budget meeting each year and then claims for expenditure are made against set criteria up to the agreed allocation. The three P.C.Cs each receive the same amount towards their general expenditure, with extra one-off allocations being made for special projects, such as lighting, furnishings, building repairs. The amounts are detailed in the attached financial statements.

JOHN MARTIN'S CHARITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Relief in need

The Charity approved 901 (2022: 691) applications from individuals, distributing a total of £151,601 (2022: £93,024). These applications were financially assessed in accordance with the Charity's guidelines.

The grants took a variety of forms, for example; 57 cookers were provided to households who could not afford replacement facilities, 32 fridges and fridge freezers were provided to assist with food storage, 47 washing machines and 11 disability aids were purchased. When considering medical equipment, items are only provided when they are not normally available via the NHS and suitable advice and guidance has been received from appropriate medical practitioners.

Part of the funding under this objective was used to assist with the purchase of 88 (2022: 54) school uniforms and grants totalling £8,871 (2022: £6,055) were approved. Uniform grants are considered twice at First and High School level and once at Middle School. Pupils requiring course specific clothing at College may also apply.

Within this objective 'emergency grants' were provided to applicants who, due to a variety of circumstances such as homelessness, unemployment, low income or debt issues, were considered to have an immediate need. 475 (2022: 339) requests were received with 378 (2022: 301) being approved. The grants normally covered a two-week period and consisted of food vouchers and a small amount of cash to cover pre-payment utility meters. The total approvals amounted to £33,299 (2022: £20,071) and assisted 625 individuals when family members were also taken into account. On some occasions an applicant's circumstances changed prior to the full grant being paid, for instance, when a benefit payment was received earlier than originally expected and in these cases, the grant was reduced.

The Trustees continued with the Pensioners' Winter Heating Award to assist those on a limited income. They were pleased to be able to increase the award from £160 in 2022 to £185 this year as the Charity's income had increased. 249 (2022: 253) applicants were assisted at a cost of £46,065 (2022: £40,480).

The Charity continues to use the services of businesses and other charities in the town to provide benefits to many applicants and their continuing co-operation is much appreciated by Trustees and staff. During this financial period, the Charity directed applicants to 'Caring Hands in the Vale' at the Vale of Evesham Christian Centre where they were able to collect a food parcel or have a hot meal. Referrals were also made to the Housing Department at Wychavon District Council and to a number of other local agencies. In particular, through working in partnership with the Evesham Volunteer Centre and other agencies, the Charity distributed £10,973 from the Government's Household Support Fund to 63 applicants.

National charities have also been approached when it was found that longer term assistance was more appropriate. 43 single women over the age of 60 were referred in this manner and they benefited from grants totalling £23,480 to ease their household budgets.

A wide variety of local organisations have been supported and £107,655 (2022: £125,516) was awarded to 12 (2022: 11) groups. In order to be considered, groups applying for assistance must provide benefit to local residents consistent with the aims and objectives of the Charity. The Trustees consider that grants provided to these organisations are an efficient means of assisting a large number of local people.

Organisation grants are detailed in the financial accounts. In particular, the Trustees provided a grant of £12,530 to the Citizens Advice Worcester & Herefordshire to run a housing project within Evesham and also provide support to homeless people moving into private rented accommodation. Yellow Scarf provides support to the local migrant population and a grant of £7,968 was issued in respect of advice sessions for the EU Settled Status scheme. The Evesham Gateway Club received funds to help purchase a minibus, as did Shine Out Of School. Footsteps Worcestershire received £5,000 to help support local children affected by bereavement and Evesham Riverside Shopmobility received help towards their operating costs.

JOHN MARTIN'S CHARITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

The Charity continues to work closely with Citizens Advice South Worcestershire and £26,000 was awarded to assist with their service provision.

In 2020/21 the Outside Youth Centre were provided with a grant over a three year period. They have again met the specified grant terms and the Board were pleased to continue with the longer term funding for their mental health project.

In agreeing to longer term funding the Trustees aim to assist with the stability of services. However, in accordance with good practice, groups do have to comply with terms and conditions that are set out at the start of the grant process. This ensures that the Charity's funds are being used correctly to deliver agreed services throughout the project. Grants can be reduced or withheld if agreed conditions have not been met or where funding requirements change and £2,585 was not paid out due to these reasons.

The Charity continues to assist other local charitable organisations by providing them with temporary meeting rooms without charge. The estimated value of this service during the year was £1,895.

Promotion of education

Just under half of the Charity's expenditure is allocated towards educational awards for schools, colleges and individual students.

The local schools and college received grants totalling £76,436 (2022: £36,764) to support special education needs and the School Governors have to apply each year with details of their proposed expenditure. The grants assist schools to purchase additional resources, such as books, equipment or teaching hours. Within the above amount, St Andrew's Church of England First School in Hampton receives an enhanced payment as benefits to that School are specifically mentioned within the Scheme that governs the Charity.

Student Grants - Individual students attending Degree and other courses throughout the country are able to apply for a grant to assist with their living and course expenses. The Trustees were pleased to be able to increase the full grant from £900 to £1,000 as the Charity's income increased from last year.

Overall, grants totalling £194,452 (2022: £159,180) were issued to 210 (2022: 191) students. 195 students received the full grant, 15 received a lower amount based on their type of course or financial circumstances.

The Trustees approved 28 (2022: 27) Miscellaneous Education Grants towards extra-curricular activities such as music, arts, sports, educational visits and club activities at a cost of £4,509 (2022: £5,333).

Health and other charitable purposes

Although the Trustees set a prudent budget each year, based upon the experience of previous applications and the current objectives, surplus funds will occasionally arise. These funds then become available to support the Trustees' health objective. Whilst the funding for health related issues for Evesham residents is included under the general "Relief in Need" detailed on page 4, a further £9,048 (2022: £2,198) was provided to 15 applicants (2022: 9) who lived in the Charity's wider beneficial area.

As detailed in the "Financial review" section below, the Charity set up emergency funds to cover grants arising from COVID and the war in Ukraine. £200 was spent from the COVID fund this year and £23,110 was issued through 101 grants to Ukrainian refugees and some host families living within the Charity's beneficial area.

Organisations who provide treatment and support to residents from this area can also apply for a grant; £30,000 was awarded to St Richard's Hospice to assist with the cost of providing specialist nurses to support residents in their own homes, £11,700 to Acorns Children's Hospice as they also supported local children and families during the year.

Within the remit provided to Trustees by the Charity Commission, grants were also provided to the Evesham Baptist Church to assist with furnishing the community spaces within their new Church and the Evesham Rowing Club received funds to help towards a replacement pontoon. A further £25,000 was awarded to Caring Hands in the Vale to assist with the refurbishment of their recently purchased property.

JOHN MARTIN'S CHARITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

General matters

Across all of the objectives, a total of 258 (2022: 166) applications were either withdrawn prior to consideration at a Trustees' Meeting or rejected because they failed to meet set financial or other criteria. Applicants continue to be referred to other agencies such as Citizens Advice, Job Centre Plus, Wychavon Housing or Rooftop Housing when the possibility of additional or alternative assistance was identified.

Financial review

In order to undertake its work, the Charity is reliant upon the income from its investments and other sources. The investment income amounted to £966,321 (2022: £710,937) being an increase of 36% over the previous year. A small amount of income was also received from other Charities and the Government's Household Support Fund and these funds could only be used for specific types of grant.

After accounting for investment management fees, the investment portfolio fell to £26,232,505 as at 31 March 2023, recording an unrealised loss of £1,817,383 and a realised gain of £13,338. However the value has recovered since 31 March 2020 when the pandemic caused the value to fall to £21,714,875.

Following consultations with both investment managers and advice received from Cazenave, the Trustees decided to move to a total return basis for managing the investment portfolio with effect from 1 April 2022. This entailed moving the investments held with Cazenave into a different fund with the aim of providing the Charity with an improved income stream. Total return allows the Charity to generate its investment return from both the fund's income and any capital gains or losses.

In applying total return, the Trustees were required to consider a value for the original endowment which established the Charity. It was considered that this could be obtained by reviewing the sale proceeds of the historic land sales and then applying a CPI% index from the sale dates. This process resulted in initial valuations as at 1 April 2022 of:

| | |
|-------------------------|--------------------|
| Investment Fund: | £14,724,602 |
| Unapplied Total Return: | <u>£13,314,206</u> |
| Endowment Fund: | £28,038,808 |

JOHN MARTIN'S CHARITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Reserves Policy

The Office monitors the level of reserves throughout the year and provides the Trustees with details of the Charity's cash flow position. The Reserves Policy was subject to a full review in 2014/15 and amended to cover the following requirements:

- To allow the Charity to function for the foreseeable future. (Unrestricted Funds - General Fund).
- To release grants as they are approved. (Restricted Funds - Grant making reserve).
- To make the reserves position more evident in the Annual Accounts.

General Fund - Given the grant-making nature of the Charity, the Trustees consider that it is prudent to maintain a reserve equal to the expected governance and support costs (less depreciation) as this will enable the Charity's office to function and meet employment obligations. This reserve stood at £157,200 as at 1 April 2022 and a transfer of £15,010 was made at the year-end in order to meet the forecast requirement of £172,210 in 2023/24.

Grant making reserve - The second requirement is to hold sufficient funds to allow the Charity to release general grants as they are approved and meet its commitments for the student and heating grants during the autumn and winter periods. It is therefore considered necessary to hold a reserve within the Restricted Income Fund of an amount equal to one quarter of the projected annual grants. This was set at £170,000 for 2022/23.

The balance in the Restricted Income Fund ended the year at £371,299 prior to transfers noted below. The reserve requirement detailed above was therefore maintained although it will be increased to £190,000 for 2023/24. Within this fund, a designation had been made to cover grants relating to the pandemic and since it started, grants totalling £36,835 have been made. As the pandemic has abated and only £200 was issued from the fund this year, the designation has been removed and the remaining reserve of £18,165 released to the Restricted Income Fund.

At the beginning of 2022 it became evident that Ukrainian families were starting to arrive in the Charity's beneficial area and £40,000 was allocated to ensure that assistance could be provided where necessary. £23,110 was issued from this designation during the year and the remaining funds have now been released back to the Restricted Income Fund. Grants are however still being considered from the general relief in need budget.

As part of the Policy review it was decided to separate the value of the functional assets and any designated reserves and show these separately. This would enable the cash reserves to be more evident within the Financial Statements.

The Reserves Policy is due for review following the adoption of total return.

JOHN MARTIN'S CHARITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Investment Policy and Performance

The investments are currently held in a number of funds operated or monitored by the appointed Investment Managers, CCLA and Cazenave.

In accordance with good management the Trustees monitor the funds through a range of measures:

- Quarterly reports from the respective Fund Managers.
- An annual review of the overall investment policy.
- A comparison against agreed benchmarks.

The Investment Policy was updated during the year to take account of the adoption of total return and to revise the asset allocations in light of the current economic climate. The Policy includes:

- A requirement to set an income target each year.
- A longer term performance objective of the Consumer Price Index +4%.
- An amended composite benchmark to reflect the portfolio's current asset allocation.
- A more refined comparator index provided by Asset Risk Consultants (ARC).

The Charity is able to view portfolio values over a long time horizon and so the longer term performance objective was included in order to monitor the Policy's overall effectiveness.

The following chart shows how the Charity's combined portfolio has performed on a total return (income and capital) basis since June 2010, being the date that the investments were last moved between Investment Managers.



(Source: Cazenave Capital and CCLA)

Although the portfolio has shown an unrealised loss for the year, the income received was above original budget of £850,000 and has performed well against the longer term indicators over 3 and 5 years.

JOHN MARTIN'S CHARITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

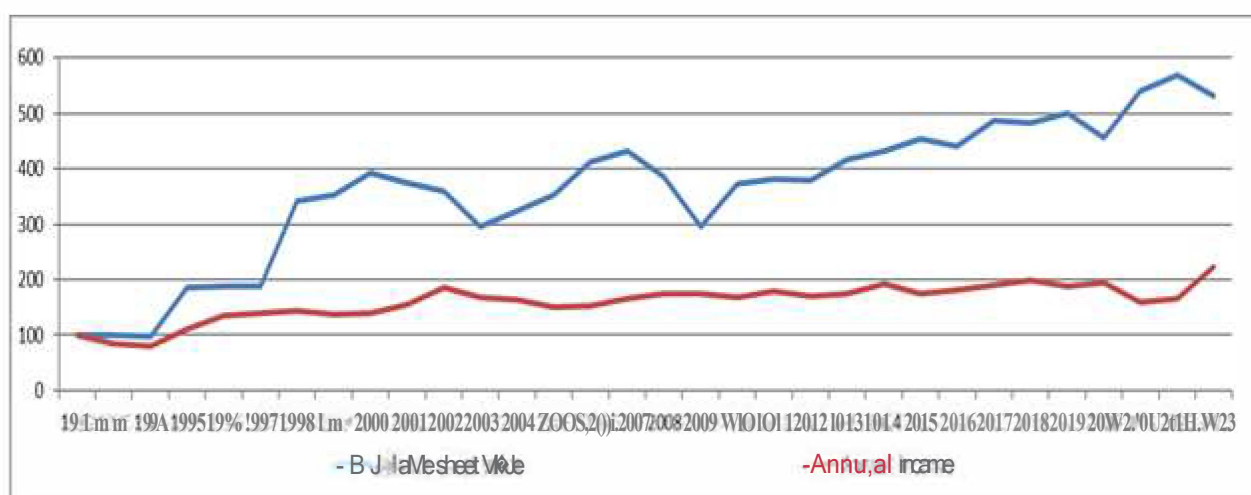
Risk Management

The Trustees have considered the major strategic, business and operational risks relevant to the Charity and have set out a Policy to manage those risks.

As virtually all of the Charity's income is generated from investments, the Trustees consider that the risks to both the capital and income can be managed through the diversification of these investments. The funds are therefore divided between two Fund Managers and this method of managing the risk was upheld during comprehensive reviews of the investments, the latest being in 2021. The portfolio is also viewed in its entirety to ensure that the split between the various asset classes remains consistent with the Charity's investment objective. This also ensures that the Charity is not overly exposed to any one particular area of the investment market.

The Trustees consider that the maintenance of a steady level of income is a main priority in order to ensure that grant programmes can be maintained. At the same time a balance is also struck to maintain the value of the investments for future generations. As such the Trustees are able to take a long term view regarding the endowment funds and accept that investment values will rise and fall over short time periods.

The effectiveness of this Policy is detailed in the following chart which, using a base line of 100, shows how the income stream has been maintained in a steady manner despite fluctuations in the valuation of the Charity's balance sheet over the longer term.



Operational risk procedures and grant policies are also reconsidered on a regular basis to ensure that the combined needs of both the applicants and the Charity continue to be met.

The Trustees are satisfied that the required systems and procedures are in place and are being adhered to.

JOHN MARTIN'S CHARITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Plans for the future

Prior to each financial year a budget is agreed which identifies the expected income together with key areas of expenditure. After allowing for support and governance costs the intention is to distribute the remaining income in accordance with the aims and objectives of the Charity.

The budget is based upon forecasts from the Office and Fund Managers and from the experience of previous years. It is then adjusted in line with known factors and any change of emphasis that the Trustees may wish to introduce in their grant making.

Coronavirus - Whilst the effect on the Charity's income for 2019/20 was minimal as the lock-down procedures only occurred towards the end of March 2020, the Charity's operations during 2020/21 were more seriously affected and the Charity's income fell as many companies reduced their dividend payments. During the second lock-down, which ended in March 2021, the staff worked on a rota basis to comply with government guidance. Throughout the year, dispensation provided by the Charity Commission was also utilised to operate online systems for Trustee Meetings. This, together with revised working practices, ensured that the Charity could continue with its day to day operations to a large extent and still provide support to local residents.

The revised working practices afforded the Charity an opportunity to review its longer term operations and new grant procedures will be introduced shortly which will enable applications to be made online.

The Trustees and staff continue to review the support provided to the community of Evesham and seek to ensure that their work and policies reflect current needs. This review is achieved through regular meetings and contacts with other charities and support agencies to which referrals are often made. It has been noted that our own work can often be enhanced if other agencies can become involved and likewise, we are pleased to be able to support them by making joint grants. On many occasions the Charity has been constructive in obtaining monetary and practical assistance from other sources for the benefit of applicants. This is an area that the Charity will continue to develop to ensure that applicants can access the wide variety of help that is available from sources that are sometimes not widely known about.

The Trustees thank the Office staff for their work throughout the year and continued dedication to the Charity, particularly during the pandemic when new working practices have had to be adopted.

Structure, governance and management

The Charity was created by the Will of John Martin of Hampton, Evesham, who died in 1714 and left his property in perpetuity for the benefit of local residents. Over the intervening years some of the property has been sold and the capital is now invested in order to generate the income which furthers John Martin's original aims.

The Charity Commission approved a new Scheme on 17 March 1981 and this, together with amendments made on 28 February 1989, 17 July 1998, 19 November 1998, 8 July 1999, 13 December 2001, 13 February 2008, 22 January 2015, 5 April 2018 and 7 April 2022 sets out how the Charity is regulated.

JOHN MARTIN'S CHARITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees who served during the year and up to the date of signature of the financial statements were:

Mrs Julie Westlake

Mrs Valerie Butler

Mr PAirdrie

Mr SAllerton

The Reverend M Binney

Mr A Booth

Reappointed 12 June 2023

Mrs M Griffiths

Appointed 12 June 2023

Miss S Murphy

Mrs J Osborne

Mr C Scorse

Mr J Smith, QBE

MrJ Wilson

Reappointed 10 April 2023

The Scheme allows for up to thirteen Trustees and they are all drawn from the local community. The Vicar of the benefice of Bengeworth and Hampton with Sedgeberrow and Hinton on the Green is appointed Ex-Officio and serves whilst that position is held. Three Trustees are nominated, one by the Vicar detailed above and two by Evesham Town Council and they are appointed for three and four years respectively. The remaining Trustees are co-opted and their term of office is five years. All Trustees are eligible for re-appointment.

Nominations were received from Evesham Town Council in June 2023; Mr Alan Booth was nominated for a second term and the Trustees were pleased to welcome the Council's new nominee, Mrs Marion Griffiths, to the Board.

In accordance with the Scheme, Co-opted Trustees must have "special knowledge of the Parish of Evesham" and the Board normally appoints people to these positions following general advertisements and interviews. The Board also retains its ability to invite an individual to become a Trustee if it is felt that they possess a specific skill or knowledge that would benefit the Charity.

On appointment a Trustee signs a declaration of acceptance together with a statement of eligibility and completes an induction process which, in addition to meeting the other Trustees, consists of meetings with the Clerk and Office staff to discuss the grant process, the various policies and the Charity's operating procedures. New Trustees also commit to a more formal governance training course during their first year.

A Trustees' Manual is issued which includes a copy of the Charity Commission Scheme, Trustees' Code of Conduct, Declaration of Interests Return, previous Annual Reports and Accounts, current policies and guidance notes from the Charity Commission. In accordance with that guidance, the Charity undertakes Disclosure and Barring Service checks on all Trustees and Staff.

The Board of Trustees normally meets once per month to consider general business such as grant making, finance and policy matters. These Meetings moved to online methods during the Coronavirus pandemic to ensure that the Charity could continue to respond to grant requests. In addition to the Annual General Meeting, the Trustees also hold annual meetings to review the investments of the Charity; agree future strategy and set appropriate budgets.

The day to day administration of the Charity is conducted by the Clerk to the Trustees together with two staff. They undertake the initial discussions with applicants, which may include a home visit and then they present appropriate papers to the Board for consideration. In certain instances, such as when an application meets all prerequisite guidelines, the Office has authorisation to release grant payments and these grants are reported to the Board at a subsequent meeting.

The Office keeps Trustees informed about relevant issues including those relating to the compliance of Charity Commission guidance, governance, employment law, insurance, investments and benefit changes. Trustees and Staff are also able to attend more formal training sessions provided by our advisors and other bodies.

JOHN MARTIN'S CHARITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Key management personnel remuneration

The Trustees consider that the Board of Trustees and Clerk to the Trustees comprise the key management personnel. Trustees are not remunerated and give their time without cost to the Charity. The level of staff remuneration is reviewed annually with the Board taking account of the Charity's expected income and prevailing inflation rate. The remuneration package does not have a fixed link to any indices or benchmarks.

Trustee expenses, which only relate to travel costs for attending training courses and related party transactions, are disclosed in the notes to the Financial Statements.

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 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 year.

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

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

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

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

This Report was approved and adopted by the Board of Trustees at the Annual General Meeting.

Mrs Julie Westlake (Chair)

Trustee

Dated: 27 July 2023

Mrs V Butler (Vice Chair)

Trustee

Dated: 27 July 2023

JOHN MARTIN'S CHARITY

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF JOHN MARTIN'S CHARITY

Opinion

We have audited the financial statements of John Martin's Charity (the 'Charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 March 2023 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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 contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 (Accounts and Reports) Regulations 2008 require 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; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

JOHN MARTIN'S CHARITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF JOHN MARTIN'S CHARITY

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. 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.

JOHN MARTIN'S CHARITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF JOHN MARTIN'S CHARITY

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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 (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Azets Audit Services

9 August 2023

**Chartered Accountants
Statutory Auditor**

Epsilon House
The Square
Gloucester Business Park
Gloucester
United Kingdom
GL3 4AD

Azets is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

JOHN MARTIN'S CHARITY

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

Current financial year

| | Notes | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Endowment funds 2023 £ | Total 2023 £ | Total 2022 £ |
|---|-------|---------------------------------|-------------------------------|------------------------------|--------------------|--------------------|
| <u>Income and endowments from:</u> | | | | | | |
| Donations and legacies | 3 | 2,692 | 10,973 | - | 13,665 | 530 |
| Investments | 4 | - | - | 966,321 | 966,321 | 710,937 |
| Other income | 5 | 700 | - | - | 700 | - |
| Total income and endowments | | 3,392 | 10,973 | 966,321 | 980,686 | 711,467 |
| <u>Expenditure on:</u> | | | | | | |
| <u>Raising funds</u> | | | | | | |
| Investment management | 6 | - | - | 19,030 | 19,030 | 67,314 |
| <u>Charitable activities</u> | | | | | | |
| Religious support | 7 | 8,387 | 93,684 | - | 102,071 | 69,625 |
| Relief in need | 7 | 109,032 | 259,256 | - | 368,288 | 319,591 |
| Promotion of education | 7 | 25,161 | 275,397 | - | 300,558 | 240,398 |
| Health | 7 | 25,161 | 146,059 | - | 171,220 | 58,922 |
| Total charitable expenditure | | 167,741 | 774,396 | - | 942,137 | 688,536 |
| Total expenditure | | 167,741 | 774,396 | 19,030 | 961,167 | 755,850 |
| Net gains/(losses) on investments | 12 | - | - | (1,804,045) | (1,804,045) | 2,380,826 |
| Net (outgoing)/incoming resources before transfers | | (164,349) | (763,423) | (856,754) | (1,784,526) | 2,336,443 |
| Gross transfers between funds | | 207,665 | 758,656 | (966,321) | - | - |
| Net movement in funds | | 43,316 | (4,767) | (1,823,075) | (1,784,526) | 2,336,443 |
| Fund balances at 1 April 2022 | | 386,760 | 376,066 | 28,038,808 | 28,801,634 | 26,465,191 |
| Fund balances at 31 March 2023 | | 430,076 | 371,299 | 26,215,733 | 27,017,108 | 28,801,634 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

JOHN MARTIN'S CHARITY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Prior financial year

| | Notes | Un restricted funds 2022 £ | Restricted funds 2022 £ | Endowment funds 2022 £ | Total 2022 £ |
|---|-------|-------------------------------------|----------------------------------|---------------------------------|--------------------|
| <u>Income and endowments from:</u> | | | | | |
| Donations and legacies | 3 | 530 | - | - | 530 |
| Investments | 4 | 710,937 | - | - | 710,937 |
| Total income and endowments | | 711,467 | - | - | 711,467 |
| <u>Expenditure on:</u> | | | | | |
| <u>Raising funds</u> | | | | | |
| Investment management | 6 | - | - | 67,314 | 67,314 |
| <u>Charitable activities</u> | | | | | |
| Religious support | 7 | 7,775 | 61,850 | - | 69,625 |
| Relief in need | 7 | 101,051 | 218,540 | - | 319,591 |
| Promotion of education | 7 | 38,871 | 201,527 | - | 240,398 |
| Health | 7 | 7,774 | 51,148 | - | 58,922 |
| Total charitable expenditure | | 155,471 | 533,065 | - | 688,536 |
| Total expenditure | | 155,471 | 533,065 | 67,314 | 755,850 |
| Net gains/(losses) on investments | 12 | - | - | 2,380,826 | 2,380,826 |
| Net (outgoing)/incoming resources before transfers | | 555,996 | (533,065) | 2,313,512 | 2,336,443 |
| Gross transfers between funds | | (562,925) | 562,925 | - | - |
| Net movement in funds | | (6,929) | 29,860 | 2,313,512 | 2,336,443 |
| Fund balances at 1 April 2021 | | 393,689 | 346,206 | 25,725,296 | 26,465,191 |
| Fund balances at 31 March 2022 | | 386,760 | 376,066 | 28,038,808 | 28,801,634 |

JOHN MARTIN'S CHARITY

BALANCE SHEET

AS AT 31 MARCH 2023

| | Notes | 2023 £ | £ | 2022 £ | £ |
|--|-------|------------|---|------------|---|
| Fixed assets | | | | | |
| Tangible assets | 15 | 211,274 | | 203,202 | |
| Investment properties | 16 | 195,000 | | 195,000 | |
| Investments | 17 | 26,037,505 | | 27,860,520 | |
| | | 26,443,779 | | 28,258,722 | |
| Current assets | | | | | |
| Stocks | 19 | 138 | | 196 | |
| Debtors | 20 | 3,808 | | 2,481 | |
| Cash at bank and in hand | | 780,213 | | 740,315 | |
| | | 784,159 | | 742,992 | |
| Creditors: amounts falling due within one year | 21 | (210,225) | | (198,715) | |
| Net current assets | | 573,934 | | 544,277 | |
| Total assets less current liabilities | | 27,017,713 | | 28,802,999 | |
| Creditors: amounts falling due after more than one year | 22 | (605) | | (1,365) | |
| Net assets | | 27,017,108 | | 28,801,634 | |
| Capital funds | | | | | |
| Endowment funds - general | 26 | 26,215,733 | | 28,038,808 | |
| Income funds | | | | | |
| Restricted funds | 25 | 371,299 | | 376,066 | |
| Unrestricted funds | | 430,076 | | 386,760 | |
| | | 27,017,108 | | 28,801,634 | |

The financial statements were approved by the Trustees on 27 July 2023

Mrs Julie Westlake (Chair)
Trustee

Mrs Valerie Butler (Vice Chair from 21 July 2022)
Trustee

JOHN MARTIN'S CHARITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

| | Notes | 2023 £ | £ | 2022 £ | £ |
|---|-------|-------------|--------------|--------------|-----------|
| Cash flows from operating activities | | | | | |
| Cash absorbed by operations | 31 | | (930,385) | | (704,919) |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (15,008) | | (383) | |
| Purchase of investments | | (2,144,583) | | (15,789,477) | |
| Proceeds on disposal of investments | | 839,542 | | 16,816,192 | |
| Investment income received | | 966,321 | | 710,937 | |
| Net cash (used in)/generated from investing activities | | | (353,728) | | 1,737,269 |
| Net cash used in financing activities | | | - | | - |
| Net (decrease)/increase in cash and cash equivalents | | | (1,284, 113) | | 1,032,350 |
| Cash and cash equivalents at beginning of year | | | 740,315 | | 681,720 |
| Investment portfolio cash movements | | | 1,324,011 | | (973,755) |
| Cash and cash equivalents at end of year | | | 780,213 | | 740,315 |

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

John Martin's Charity is an unincorporated charity created by the Will of John Martin of Hampton, Evesham, who died in 1714. The principal address is 16 Queen's Road, Evesham, Worcestershire, WR11 4JN.

The Charity Commission approved a new Scheme on 17 March 1981 and this, together with amendments detailed in the Trustees' Report sets out how the Charity is regulated.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's governing document, 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 (FRS 102) (effective 1 January 2019)". The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest£.

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity, however under the Charity scheme, the fund is permitted to be managed by the trustees on a total return basis. This means that the funds are invested to maximise the return on investment without regard as to whether that return is in the form of income from dividends or interest or capital appreciation (where the market value of the investment increases). The trustees decides each year how much of that return is released to income for spending and how much is retained for investment. The allocation is made on an equitable basis to balance the need for current grant funding as well as to invest returns for the future.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from government and other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources (refer to support costs note).

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, premises costs, advertising, depreciation, legal & professional fees, payroll and governance costs which support the charity's projects, programmes and activities. These costs have been allocated between the categories of expenditure on charitable activities. The bases on which support costs have been allocated are set out in the notes to the financial statements.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Grants payable are payments made to individuals, schools or organisations in the furtherance of the objectives of the Charity. The grants are accounted for where either the Trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the Charity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|--------------------------------|-------------------|
| Freehold property | 2% Straight Line |
| Building renovation costs | 20% Straight Line |
| Fixtures, fittings & equipment | 20% Straight Line |
| Computers | 25% Straight Line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.13 Taxation

The charity is exempt from corporation tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to the charitable objects.

1.14 Provisions

Provisions are recognised when the Charity has a legal or constructive present obligation as a result of a past event, it is probable that the Charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes in respect of current employees are charged as an expense as they fall due.

Previously, the charity was part of a separately administered multi-employer defined benefit scheme; as it is unable to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme, the scheme is accounted for as a defined contribution scheme.

The charity is still required to make contributions to fund a deficit in the scheme and the amount recognised in the financial statements is the net present value of the future deficit contributions payable under the agreement.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

3 Donations and legacies

| | Un restricted funds | Restricted funds | Total | Unrestricted funds |
|---------------------|------------------------|---------------------|---------------|-----------------------|
| | 2023 £ | 2023 £ | 2023 £ | 2022 £ |
| Donations and gifts | 2,692 | - | 2,692 | 530 |
| Government grants | - | 10,973 | 10,973 | - |
| | <u>2,692</u> | <u>10,973</u> | <u>13,665</u> | <u>530</u> |

4 Investments

| | Endowment funds general 2023 £ | Unrestricted funds 2022 £ |
|--------------------------------|--|------------------------------------|
| Rental income | 1,615 | 528 |
| Income from listed investments | 951,981 | 710,085 |
| Interest receivable | 12,725 | 324 |
| | <u>966,321</u> | <u>710,937</u> |

5 Other income

| | Un restricted funds | Total |
|--------------|------------------------|-----------|
| | 2023 £ | 2022 £ |
| Other income | <u>700</u> | <u>-</u> |

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

6 Raising funds

| | Endowment funds general 2023 £ | Endowment funds general 2022 £ |
|-----------------------|--|--|
| Investment management | 19,030 | 67,314 |
| | <u>19,030</u> | <u>67,314</u> |

7 Charitable activities

| | Religious support 2023 £ | Relief in need of 2023 £ | Promotion of education 2023 £ | Health 2023 £ | Total 2023 £ | Total 2022 £ |
|--|-----------------------------------|-----------------------------------|--|---------------------|--------------------|--------------------|
| Grant funding of activities | 93,684 | 259,256 | 275,397 | 146,059 | 774,396 | 533,065 |
| Share of support costs (see note 10) | 7,372 | 95,841 | 22,117 | 22,117 | 147,447 | 136,683 |
| Share of governance costs (see note 10) | 1,015 | 13,191 | 3,044 | 3,044 | 20,294 | 18,788 |
| | <u>102,071</u> | <u>368,288</u> | <u>300,558</u> | <u>171,220</u> | <u>942,137</u> | <u>688,536</u> |
| Analysis by fund | | | | | | |
| Unrestricted funds | 8,387 | 109,032 | 25,161 | 25,161 | 167,741 | 155,471 |
| Restricted funds | 93,684 | 259,256 | 275,397 | 146,059 | 774,396 | 533,065 |
| | <u>102,071</u> | <u>368,288</u> | <u>300,558</u> | <u>171,220</u> | <u>942,137</u> | <u>688,536</u> |

For the year ended 31 March 2022

| | Religious support £ | Relief in need of £ | Promotion of education £ | Health £ | Total 2022 £ |
|---|---------------------------|---------------------------|--------------------------------|---------------|--------------------|
| Grant funding of activities | 61,850 | 218,540 | 201,527 | 51,148 | 533,065 |
| Share of support costs (see note 10) | 6,835 | 88,839 | 34,174 | 6,835 | 136,683 |
| Share of governance costs (see note 10) | 940 | 12,212 | 4,697 | 939 | 18,788 |
| | <u>69,625</u> | <u>319,591</u> | <u>240,398</u> | <u>58,922</u> | <u>688,536</u> |
| Analysis by fund | | | | | |
| Unrestricted funds | 7,775 | 101,051 | 38,871 | 7,774 | 155,471 |

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

7 Charitable activities

(Continued)

| | | | | | |
|------------------|---------------|----------------|----------------|---------------|----------------|
| Restricted funds | 61,850 | 218,540 | 201,527 | 51,148 | 533,065 |
| | <u>69,625</u> | <u>319,591</u> | <u>240,398</u> | <u>58,922</u> | <u>688,536</u> |

8 Description of charitable activities

Religious support

To assist the Vicar in Hampton and Bengeworth and the three Parochial Church Councils within the town of Evesham.

Relief in need

To assist generally or individually, persons resident within the town of Evesham who are in conditions of need, hardship and distress.

Promotion of education

To promote education to persons residing within the town of Evesham and to provide benefits to schools in the town.

Health

The Trustees have wide ranging authority within the Scheme to provide such charitable purposes as they see fit, for either assisting beneficiaries within the town of Evesham or within the immediate neighbourhood. The Trustees mainly use this ability to support people with chronic and other related health issues across a wider beneficial area. This area is detailed on the Charity's website.

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Grants payable

| | Religious support | Relief in need | Promotion of education | Health | 2023 | Religious support | Relief in need | Promotion of education | Health | 2022 |
|---|-------------------|----------------|------------------------|--------|--------|-------------------|----------------|------------------------|--------|---------|
| | 2023 | 2023 | 2023 | 2023 | | 2022 | 2022 | 2022 | 2022 | |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Grants to institutions: | | | | | | | | | | |
| All Saints' PCC Evesham | 34,400 | - | - | - | 34,400 | 14,700 | - | - | - | 14,700 |
| St Andrew's PCC Hampton | 20,600 | - | - | - | 20,600 | 24,400 | - | - | - | 24,400 |
| St Pater's PCC Bengeworth | 29,944 | - | - | - | 29,944 | 14,700 | - | - | - | 14,700 |
| Caring Hands in the Vale | - | - | - | 25,000 | 25,000 | - | 50,000 | - | - | 50,000 |
| CCP | - | - | - | - | - | - | 973 | - | - | 973 |
| DIAL South Worcestershire | - | - | - | - | - | - | 2,892 | - | - | 2,892 |
| Evesham & District Mental Health Support Services | - | - | - | - | - | - | 20,000 | - | - | 20,000 |
| Evesham Festival of Words | - | - | - | - | - | - | - | 250 | - | 250 |
| Evesham Gateway Club | - | 5,475 | - | - | 5,475 | - | - | - | - | - |
| Evesham Riverside Shop Mobility | - | 6,500 | - | - | 6,500 | - | 6,500 | - | - | 6,500 |
| Evesham Vale Welcomes Refugees | - | - | - | - | - | - | 506 | - | - | 506 |
| Evesham Volunteer Centre | - | 12,000 | - | - | 12,000 | - | - | - | - | - |
| Footsteps Worcestershire | - | 5,000 | - | - | 5,000 | - | 5,000 | - | - | 5,000 |
| Multiple Sclerosis Trust | - | - | - | - | - | - | 1,285 | - | - | 1,285 |
| Orchestra of the Swan | - | 2,000 | - | - | 2,000 | - | - | - | - | - |
| Ourside Youth Centre | - | 11,242 | - | - | 11,242 | - | - | - | - | - |
| Shine Out Of Schools Club | - | 9,440 | - | - | 9,440 | - | - | - | - | - |
| Wallace House Community Centre | - | 9,000 | - | - | 9,000 | - | (2,150) | - | - | (2,150) |
| Worcester Citizens Advice Bureau and WHABAC | - | 12,530 | - | - | 12,530 | - | 9,550 | - | - | 9,550 |
| Yellow Scarf CIC | - | 7,968 | - | - | 7,968 | - | 7,660 | - | - | 7,660 |

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

| 9 Grants payable | | (Continued) | | | | | | | | |
|---|-------------------|----------------|------------------------|---------|---------|-------------------|----------------|------------------------|--------|---------|
| | Religious support | Relief in need | Promotion of education | Health | 2023 | Religious support | Relief in need | Promotion of education | Health | 2022 |
| | 2023 | 2023 | 2023 | 2023 | | 2022 | 2022 | 2022 | 2022 | |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| 1st Evesham Scout Group | - | 500 | - | - | 500 | - | (700) | - | - | (700) |
| South Worcestershire Citizens Advice Bureau | - | 26,000 | - | - | 26,000 | - | 24,000 | - | - | 24,000 |
| Bengeworth CE Academy | - | - | 7,600 | - | 7,600 | - | - | 3,790 | - | 3,790 |
| Evesham College | - | - | 3,036 | - | 3,036 | - | - | 1,704 | - | 1,704 |
| Prince Henry's High School | - | - | 19,400 | - | 19,400 | - | - | 9,430 | - | 9,430 |
| Hampton First School | - | - | 11,300 | - | 11,300 | - | - | 8,000 | - | 8,000 |
| St Egwin's CE Middle School | - | - | 6,800 | - | 6,800 | - | - | 3,330 | - | 3,330 |
| St Mary's Catholic Primary School | - | - | 2,300 | - | 2,300 | - | - | 1,220 | - | 1,220 |
| Swan Lane First School | - | - | 5,000 | - | 5,000 | - | - | 2,440 | - | 2,440 |
| The De Montfort School | - | - | 13,500 | - | 13,500 | - | - | - | - | - |
| Vale of Evesham School | - | - | 5,800 | - | 5,800 | - | - | 2,420 | - | 2,420 |
| Evesham Nursery School | - | - | 1,700 | - | 1,700 | - | - | - | - | - |
| St Richard's First School | - | - | - | - | - | - | - | 4,430 | - | 4,430 |
| Acorns Children's Hospice | - | - | - | 11,700 | 11,700 | - | - | - | 13,650 | 13,650 |
| St Richard's Hospice | - | - | - | 30,000 | 30,000 | - | - | - | 30,000 | 30,000 |
| Freedom Day Centre | - | - | - | - | - | - | - | - | 5,300 | 5,300 |
| Evesham Baptist Church | - | - | - | 39,000 | 39,000 | - | - | - | - | - |
| Evesham Rowing Club | - | - | - | 8,000 | 8,000 | - | - | - | - | - |
| | 84,944 | 107,655 | 76,436 | 113,700 | 382,735 | 53,800 | 125,516 | 37,014 | 48,950 | 265,280 |
| Grants to individuals | 8,740 | 151,601 | 198,961 | 32,359 | 391,661 | 8,050 | 93,024 | 164,513 | 2,198 | 267,785 |
| | 93,684 | 259,256 | 275,397 | 146,059 | 774,396 | 61,850 | 218,540 | 201,527 | 51,148 | 533,065 |

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

10 Support costs

| | Support costs £ | Governance costs £ | 2023 Support costs £ | Governance costs £ | 2022 £ |
|--|--------------------|-----------------------|-------------------------|-----------------------|----------------|
| Staff costs | 119,197 | 6,998 | 126,195 | 110,413 | 115,998 |
| Depreciation | 6,104 | 832 | 6,936 | 4,061 | 4,512 |
| Travel costs | 163 | 22 | 185 | 127 | 895 |
| Office costs | 12,403 | 1,810 | 14,213 | 15,442 | 17,161 |
| Advertising | 1,305 | - | 1,305 | 1,122 | 1,122 |
| Premises costs | 8,162 | 1,113 | 9,275 | 5,518 | 6,133 |
| Legal and professional fees | 113 | 1,095 | 1,208 | - | 2,155 |
| Audit fees | - | 7,644 | 7,644 | - | 7,495 |
| Accountancy | - | 780 | 780 | - | - |
| | <u>147,447</u> | <u>20,294</u> | <u>167,741</u> | <u>136,683</u> | <u>155,471</u> |
| Analysed between Charitable activities | <u>147,447</u> | <u>20,294</u> | <u>167,741</u> | <u>136,683</u> | <u>155,471</u> |

11 Net movement in funds

| | 2023 £ | 2022 £ |
|---|--------------|--------------|
| Net movement in funds is stated after charging/(crediting) | | |
| Fees payable to the charity's auditor for the audit of the charity's financial statements | 7,644 | 7,495 |
| Depreciation of owned tangible fixed assets | <u>6,936</u> | <u>4,512</u> |

12 Net gains/(losses) on investments

| | Endowment funds general 2023 £ | Endowment funds general 2022 £ |
|------------------------------------|---|---|
| Revaluation of investments | (1,817,383) | 1,776,658 |
| Gain/(loss) on sale of investments | <u>13,338</u> | <u>604,168</u> |
| | <u>(1,804,045)</u> | <u>2,380,826</u> |

13 Trustees

None (2022: None) of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year (2022: £nil).

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

14 Employees

The average monthly number of employees during the year was:

| | 2023 Number | 2022 Number |
|-------------------------|-------------------|-------------------|
| | 3 | 3 |
| | <u>3</u> | <u>3</u> |
| Employment costs | 2023 £ | 2022 £ |
| Wages and salaries | 109,721 | 102,171 |
| Social security costs | 6,782 | 6,991 |
| Other pension costs | 9,692 | 6,836 |
| | <u>126,195</u> | <u>115,998</u> |

There were no employees whose annual remuneration was £60,000 or more (2022 - £60,000).

15 Tangible fixed assets

| | Freehold property £ | Fixtures, fittings & equipment £ | Computers £ | Total £ |
|------------------------------------|---------------------------|---|----------------|----------------|
| Cost | | | | |
| At 1 April 2022 | 216,148 | 60,887 | 32,118 | 309,153 |
| Additions | - | 764 | 14,244 | 15,008 |
| | <u>216,148</u> | <u>61,651</u> | <u>46,362</u> | <u>324,161</u> |
| At 31 March 2023 | 216,148 | 61,651 | 46,362 | 324,161 |
| Depreciation and impairment | | | | |
| At 1 April 2022 | 16,204 | 59,287 | 30,460 | 105,951 |
| Depreciation charged in the year | 1,415 | 885 | 4,636 | 6,936 |
| | <u>17,619</u> | <u>60,172</u> | <u>35,096</u> | <u>112,887</u> |
| At 31 March 2023 | 17,619 | 60,172 | 35,096 | 112,887 |
| Carrying amount | | | | |
| At 31 March 2023 | <u>198,529</u> | <u>1,479</u> | <u>11,266</u> | <u>211,274</u> |
| At 31 March 2022 | <u>199,944</u> | <u>1,600</u> | <u>1,658</u> | <u>203,202</u> |

The Charity's freehold property was subject to an independent professional valuation at 9 June 2015. The valuation was undertaken by Roger Warrington FRIGS, Chartered Surveyor on an open market basis. This valuation has been adopted as deemed cost on transition to SORP (FRS 102). These assets are being depreciated from 31 March 2014 and have a net book value of £198,300 (2022: £199,600). The historic cost equivalent of these assets is £200,000 (2022: £200,000).

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

16 Investment property

2023

£

Fair value

At 1 April 2022 and 31 March 2023

195,000

Investment property comprises 17.76 acres of land that was permanently endowed to the charity and is held for investment purposes. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 12 November 2010 by Bruton Knowles, Chartered Surveyors, who are not connected with the Charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

17 Fixed asset investments

| | Listed investments £ | Cash in portfolio | Total £ |
|-------------------------------------|----------------------------|----------------------|-------------------|
| Cost or valuation | | | |
| At 1 April 2022 | 26,489,627 | 1,370,893 | 27,860,520 |
| Additions | 2,144,633 | (2,134,833) | 9,800 |
| Valuation changes | (1,817,383) | - | (1,817,383) |
| Investment portfolio cash movements | - | (28,720) | (28,720) |
| Disposals | (826,254) | 839,542 | 13,288 |
| | <u>25,990,623</u> | <u>46,882</u> | <u>26,037,505</u> |
| At 31 March 2023 | 25,990,623 | 46,882 | 26,037,505 |
| Carrying amount | | | |
| At 31 March 2023 | <u>25,990,623</u> | <u>46,882</u> | <u>26,037,505</u> |
| At 31 March 2022 | <u>26,489,627</u> | <u>1,370,893</u> | <u>27,860,520</u> |

18 Financial instruments

| | 2023 £ | 2022 £ |
|---|-------------------|-------------------|
| Carrying amount of financial assets | | |
| Instruments measured at fair value through profit or loss | <u>25,990,623</u> | <u>26,489,627</u> |

19 Stocks

| | 2023 £ | 2022 £ |
|-------------------------------------|------------|------------|
| Finished goods and goods for resale | <u>138</u> | <u>196</u> |

20 Debtors

| | 2023 £ | 2022 £ |
|---|--------------|--------------|
| Amounts falling due within one year: | | |
| Prepayments and accrued income | <u>3,808</u> | <u>2,481</u> |

21 Creditors: amounts falling due within one year

| | 2023 £ | 2022 £ |
|------------------------------------|----------------|----------------|
| Other taxation and social security | 2,856 | 2,877 |
| Other creditors | 193,188 | 172,219 |
| Accruals and deferred income | 14,181 | 23,619 |
| | <u>210,225</u> | <u>198,715</u> |

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

22 Creditors: amounts falling due after more than one year

| | 2023 | 2022 |
|-----------------|-----------------|-----------------|
| | £ | £ |
| Other creditors | 605 | 1,365 |
| | <u> </u> | <u> </u> |

23 Retirement benefit schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to the SoFA in respect of defined contribution schemes was £8,237 (2022: £8,174).

Defined benefit schemes

The Pensions Trust - The Growth Plan

The Charity participates in the Pension Trust's Growth Plan (The Plan), a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the Charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

23 Retirement benefit schemes

(Continued)

Valuation

A full actuarial valuation for the scheme was carried out at 30 September 2020. This actuarial valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the participating employers have agreed that additional contributions will be paid to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025: £3,312,000 per annum (payable monthly).

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025: £11,243,000 per annum (payable monthly and increasing by 3% each on 1 April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the Charity has agreed to a deficit funding arrangement the Charity recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of provision

| | 2023 | 2022 | 2021 |
|----------------------------|-------|-------|-------|
| | £ | £ | £ |
| Present value of provision | 1,369 | 2,147 | 8,203 |

An amount of £764 (2022 - £782) is included within short term creditors and £605 (2022 - £1,365) in long term liabilities.

Reconciliation of opening and closing provisions

| | 2023 | 2022 |
|--|-------|---------|
| | £ | £ |
| Provision at start of period | 2,147 | 8,203 |
| Unwinding of discount factor (interest expense) | 41 | 47 |
| Deficit contribution paid | (782) | (2,076) |
| Actuarial remeasurements - change in assumptions | (37) | (49) |
| Actuarial remeasurements - amendments to the contribution schedule | - | (3,978) |
| Provision at end of period | 1,369 | 2,147 |

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

23 Retirement benefit schemes

(Continued)

Income and expenditure impact

| | 2023 | 2022 |
|--|----------|----------------|
| | £ | £ |
| Interest expense | 41 | 47 |
| Actuarial remeasurements - change in assumptions | (37) | (49) |
| Actuarial remeasurements - amendments to the contribution schedule | - | (3,978) |
| | <u>4</u> | <u>(3,980)</u> |
| Costs recognised in income and expenditure account | | |

Key assumptions

| | 2023 | 2022 | 2021 |
|---------------|-------------|-------------|-------------|
| | % per annum | % per annum | % per annum |
| Discount rate | 5.52 | 2.35 | 0.66 |

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions. The Charity recognises a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement.

Defined contributions schedule

| Year ending | 31 March 2023 | 31 March 2022 | 31 March 2021 |
|-------------|------------------|------------------|------------------|
| | £ | £ | £ |
| Year1 | 764 | 782 | 2,076 |
| Year2 | 605 | 764 | 2,138 |
| Year3 | - | 746 | 2,202 |
| Year4 | - | - | 1,890 |

The charity must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the charity's balance sheet liability.

The Plan is closed to new entrants and there were no active members of the scheme during the year.

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

24 General unrestricted funds

| | Movement in funds | | | | Movement in funds | | | | Balance at 31 March 2023 |
|-----------------------------------|----------------------------|-----------------------|-----------------------|------------------|----------------------------|------------------------|------------------------|----------------|-----------------------------|
| | Balance at 1 April 2021 | Incoming resources | Resources expended | Transfers | Balance at 1 April 2022 | Incoming resources. | Resources. expended | Transfers | |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| General fund | 153,850 | 711,467 | (145,192) | (562,925) | 157,200 | 3,392 | (160,805) | 172,423 | 172,210 |
| Functional assets fund | 207,331 | - | (4,129) | - | 203,202 | - | (6,936) | 15,008 | 211,274 |
| Designated - computer software | 30,000 | - | (6,150) | - | 23,850 | - | - | (9,766) | 14,084 |
| Designated - training | 2,508 | - | - | - | 2,508 | - | - | - | 2,508 |
| Designated - property maintenance | - | - | - | - | - | - | - | 30,000 | 30,000 |
| | <u>393,689</u> | <u>711,467</u> | <u>(155,471)</u> | <u>(562,925)</u> | <u>386,760</u> | <u>3,392</u> | <u>(167,741)</u> | <u>207,665</u> | <u>430,076</u> |

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

24 General unrestricted funds

(Continued)

General Fund

The general fund balance represents surplus income brought forward from the period prior to the adoption of the 1989 Scheme together with income arising from the permanent endowment fund which is available to be spent at the Trustees' discretion. The policy is to maintain the fund at 100% of forecast annual governance and support costs (less depreciation) as this will assist cash flow and enable the Charity to operate and meet its obligations on a day to day basis. Funds held in excess of this requirement are transferred to the restricted fund.

Functional assets fund

The functional assets fund represents the tangible fixed assets detailed in the tangible fixed assets note.

Designated funds

Within the unrestricted fund, the Trustees, from time to time, establish a small number of designated funds for specific items of expected future expenditure, as described by the name of the fund. These are reviewed annually and transfers made as appropriate in light of these expectations.

Transfers between funds

£nil (2022: £nil) was utilised from the unrestricted designated training fund during the year for staff and trustee training. The functional assets fund was increased by £8,072 (2022: £4,129 decrease), in line with the current value of the assets stated in the balance sheet at 31 March 2023. £15,010 has been retained in the unrestricted general fund to maintain the minimum target level set in the reserves policy. £30,000 has been transferred to a designated property maintenance fund for expenditure on building improvements.

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

25 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

| | Balance at 1 April 2021 | Resources expended | Transfers | Balance at 1 April 2022 | Movement in funds | | | | Balance at 31 March 2023 |
|------------------------|----------------------------|-----------------------|----------------|----------------------------|-----------------------------|-----------------------------|----------------|--|-----------------------------|
| | £ | £ | £ | £ | Incoming resources. £ | Resources. expended £ | Transfers £ | | £ |
| General fund | 322,461 | (502,685) | 497,925 | 317,701 | - | (740,113) | 793,711 | | 371,299 |
| Covid 19 | 23,745 | (30,380) | 25,000 | 18,365 | - | (200) | (18,165) | | - |
| Refugees & Utilities | - | - | 40,000 | 40,000 | - | (23,110) | (16,890) | | - |
| Household Support Fund | - | - | - | - | 10,973 | (10,973) | - | | - |
| | <u>346,206</u> | <u>(533,065)</u> | <u>562,925</u> | <u>376,066</u> | <u>10,973</u> | <u>(774,396)</u> | <u>758,656</u> | | <u>371,299</u> |

General restricted funds

Under the rules of the 1989 Scheme, once costs of governance and administration have been deducted from the annual income, all remaining monies must be distributed as grants, subject to the restrictions laid out in the Scheme. Any monies not distributed within the same year must be carried forward within the restricted fund, which can only be distributed as grants in future years.

Covid-19

As a consequence of the COVID-19 pandemic, a designated restricted reserve of £30,000 was allocated for the purpose of relief in need prior to March 2021 and a further £25,000 was allocated during the last financial year. Grants of £200 (2022: £30,380) have been awarded during the year from this fund and the remaining balance un-designated.

Refugees & Utilities

A further designation was created in March 2022 in order to assist Ukrainian and other refugees that settle in the Charity's beneficial area. Grants of £23,110 (2022: £Nil) have been awarded during the year from this fund and the remaining balance un-designated.

Household Support Fund

Relates to distribution of government funding via Wychavon District Council and other local advice centres.

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

26 Endowment funds

Endowment funds represent assets which must be held permanently by the Charity. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included as unapplied total return until transferred to income. Any capital gains or losses arising on the assets form part of the fund and are included as unapplied total return until transferred to income.

| | Balance at 1 April 2021 | Incoming resources | Movement in funds | | | Balance at 1 April 2022 | Incoming resources | Movement in funds | | | Balance at 31 March 2023 |
|-----------------------------|----------------------------|-----------------------|-----------------------|-----------|-------------------------------------|----------------------------|-----------------------|-----------------------|------------------|-------------------------------------|-----------------------------|
| | £ | £ | Resources expended | Transfers | Revaluations gains and losses | £ | £ | Resources expended | Transfers | Revaluations gains and losses | £ |
| Permanent endowments | | | | | | | | | | | |
| Endowment funds | 25,725,296 | - | (67,314) | - | 2,380,826 | 28,038,808 | - | - | (13,314,206) | - | 14,724,602 |
| Unapplied total return | - | - | - | - | - | - | 966,321 | (19,030) | 12,347,885 | (1,804,045) | 11,491,131 |
| | <u>25,725,296</u> | <u>-</u> | <u>(67,314)</u> | <u>-</u> | <u>2,380,826</u> | <u>28,038,808</u> | <u>966,321</u> | <u>(19,030)</u> | <u>(966,321)</u> | <u>(1,804,045)</u> | <u>26,215,733</u> |

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

26 Endowment funds

(Continued)

The Charity received a permanent endowment of agricultural land through the will of John Martin in 1714. John Martin had lived in Hampton, near Evesham, and bequeathed his lands on condition that they were to be held as a permanent endowment with the income arising being for the specific purposes of providing for a vicar in the parishes of Hampton and Bengeworth, assisting with the education of local children and for the relief in need of the people of Hampton, Bengeworth and Evesham. Since then, most of the original land has been sold and the proceeds re-invested in investment funds, which must also be retained as permanent endowment.

Significant expenses incurred in the administration of the remaining land are also charged to this fund, in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019.

The Trustees, with the approval of the Charity Commission, have subsequently expanded the beneficial area to which the bequest relates as part of a series of Schemes. These dictate that all income arising from the permanent endowment is unrestricted in the first instance, to allow for reasonable running costs of the Charity to be met. Any surplus after that must be transferred to the restricted fund to be distributed as grants in accordance with the rules of the Scheme.

Total return approach to investment

As detailed in the Trustees Report the Board of Trustees decided to adopt a total return approach to investment with effect from 1 April 2022.

In reaching this decision, the Trustees are satisfied that this is in the best interest of the Charity and that due regard was given to guidance issued by the Charity Commission. Advice was also obtained from the Charity's Investment Managers, Cazenave Capital and CCLA Investment Management Ltd.

The Trustees also considered how the value of the Endowment Fund should be allocated between the Investment Fund, which represents the value of the original gift and the Unapplied Total Return. Following a review of the Charity's records with reference to the gift, proceeds obtained from land sales together with an allowance for indexation since the final sale in 1995, as at 1 April 2022 the Investment Fund valuation was calculated at £14,724,602 and the Unapplied Total Return at £13,314,206.

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

27 Analysis of net assets between funds

| | Un restricted funds 2023 £ | Restricted funds 2023 £ | Endowment funds 2023 £ | Total 2023 £ | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Endowment funds 2022 £ | Total 2022 £ |
|--|-------------------------------------|----------------------------------|---------------------------------|--------------------|------------------------------------|----------------------------------|---------------------------------|--------------------|
| Fund balances at 31 March 2023 are represented by: | | | | | | | | |
| Tangible assets | 211,274 | - | - | 211,274 | 203,202 | - | - | 203,202 |
| Investment properties | - | - | 195,000 | 195,000 | - | - | 195,000 | 195,000 |
| Investments | - | 2,362 | 26,035,143 | 26,037,505 | - | 2,360 | 27,858,160 | 27,860,520 |
| Current assets/(liabilities) | 219,407 | 368,937 | (14,410) | 573,934 | 184,923 | 373,706 | (14,352) | 544,277 |
| Long term liabilities | (605) | - | - | (605) | (1,365) | - | - | (1,365) |
| | <u>430,076</u> | <u>371,299</u> | <u>26,215,733</u> | <u>27,017,108</u> | <u>386,760</u> | <u>376,066</u> | <u>28,038,808</u> | <u>28,801,634</u> |

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

28 Financial commitments, guarantees and contingent liabilities

As at 31 March 2023, the Charity has set aside a maximum amount of £nil (2022: £6,890) in relation to charitable grants to other entities which do not yet meet the criteria to be recognised as a liability in the period.

As at 31 March 2023, the Charity have paid £6,150 towards a two year contract for a grant management system. The total liability over the two years ending 31 March 2024 is £17,857.

29 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2023 £ | 2022 £ |
|----------------------------|--------------|--------------|
| Within one year | 484 | 484 |
| Between two and five years | 1,137 | 1,621 |
| | <u>1,621</u> | <u>2,105</u> |

The operating leases represent leases of office equipment payable by the charity. The leases are negotiated over terms of 5 years.

30 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

| | 2023 £ | 2022 £ |
|------------------------|---------------|---------------|
| Aggregate compensation | <u>53,708</u> | <u>50,887</u> |

JOHN MARTIN'S CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

30 Related party transactions

(Continued)

Transactions with related parties

During the year the Charity entered into the following transactions with related parties:

The Vicar of Hampton and Bengeworth, as an ex-officio Trustee, is entitled to have his expenses of office paid in accordance with Clause 25(1) and 25(2) of the 1989 Scheme. These amounted to £8,758 (2022: £7,950) and £100 (2022: £100).

Mrs Diana Scorse, the wife of co-optative Trustee, Mr Cyril Scorse, receives fees as an organist at St Andrew's Church, Hampton. These fees are refunded to the Parochial Church Council under Clause 25(3) of the 1989 Scheme and total £1,003 (2022: £703).

Mrs Binney, the wife of ex-officio Trustee, Reverend Mark Binney, receives fees as a relief organist at St Andrew's Church, Hampton. These fees are refunded to the Parochial Church Council under Clause 25(3) of the 1989 Scheme and total £471 (2022: £247).

31 Cash generated from operations

2023
£

2022
£

| | | |
|---|------------------|------------------|
| (Deficit)/surplus for the year | (1,784,526) | 2,336,443 |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (964,706) | (710,409) |
| Rents receivable from investments | (1,615) | (528) |
| Gain on disposal of investments | (13,338) | (604,168) |
| Fair value gains and losses on investments | 1,817,383 | (1,776,658) |
| Depreciation and impairment of tangible fixed assets | 6,936 | 4,512 |
| Movements in working capital: | | |
| Decrease/(increase) in stocks | 58 | (85) |
| (Increase)/decrease in debtors | (1,327) | 485 |
| Increase in creditors | 10,750 | 45,489 |
| Cash absorbed by operations | (930,385) | (704,919) |

32 Analysis of changes in net funds

The Charity had no debt during the year.