

# Bristol Charities

## ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

for the year ended

31 March 2013

# Bristol Charities

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# Bristol Charities

## TRUSTEES, OFFICERS AND ADVISERS

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Trustees (Directors for the Purpose of Companies Act)	Andrew Hillman, A.C.A. (Chairman of Trustees) Dudley Lewis, Solicitor (Vice Chairman of Trustees) Laura Claydon, LL.B., Solicitor Kamala Das, LL.M., Barrister Barry England, O.B.E., D.L., A.C.I.B. Richard Gore, LL.B., Solicitor Susan Hampton, D.L., J.P., B.A. Tony Harris, M.Sc., F.C.A. The Very Revd. Dr. David Hoyle, (resigned 19 February 2013) Dr. Ros Kennedy, MB, BS, MRCP, MRCPGP, DCH Alfred Morris, C.B.E., D.L., Hon. LL.D., F.C.A. Sonia Mills, (appointed 24 July 2013) Helen E Moss, O.B.E. Vanessa Stevenson David Watts, J.P., M.A., F.R.I.C.S. John Webster, B.A., B.Arch., R.I.B.A., M.R.T.P.I.
Chief Executive Interim Chief Executive Former Chief Executive	Anne Anketell, B.A. (appointed 14 October 2013) Sarah Davies, M.Sc. (appointed 10 June 2013, resigned 13 October 2013) David W Jones, M. Phil., LL.B. (resigned 9 June 2013)
Principal Office/ Registered Office	17 St Augustines Parade Bristol BS1 4UL Telephone 0117 9300301 Email: <a href="mailto:info@bristolcharities.org.uk">info@bristolcharities.org.uk</a> Website: <a href="http://www.bristolcharities.org.uk">www.bristolcharities.org.uk</a>
Property Advisers	Jones Lang LaSalle Chartered Surveyors 40 Berkeley Square Bristol BS8 1HU
Investment Managers	Baring Asset Management Limited 155 Bishopsgate London EC2M 3XY  Smith & Williamson Investment Management Portwall Place, Portwall Lane Bristol BS1 6NA
Auditor	Deloitte LLP Chartered Accountants and Statutory Auditor 3 Rivergate Temple Quay Bristol BS1 6GD
Bankers	HSBC Bank Plc PO Box 120 49 Corn Street Bristol BS99 7PP

# Bristol Charities

## TRUSTEES, OFFICERS AND ADVISERS *(continued)*

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### Legal advisers

Bond Dickinson LLP  
3 Temple Quay  
Temple Back East  
Bristol  
BS1 6DZ

Veale Wasbrough Vizards LLP  
Orchard Court, Orchard Lane  
Bristol  
BS1 5WS

# Bristol Charities

## COMMITTEES

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### **Assets and Finance Committee**

T Harris (*Chairman*)  
L Claydon  
B England  
A Hillman  
D Lewis  
J Webster

### **Grants Committee**

V Stevenson (*Chairman*)  
S Hampton  
A Hillman  
R Kennedy  
D Lewis

### **Nominations Committee**

A Hillman (*Chairman*)  
L Claydon  
B England  
S Hampton  
R Kennedy  
D Lewis  
H Moss

### **Day Services Committee**

R Kennedy (*Chairman*)  
L Claydon  
K Das  
R Gore  
S Hampton  
A Hillman  
D Lewis  
H Moss  
V Stevenson  
J Webster

### **Almshouses Committee**

J Webster (*Chairman*)  
R Gore  
A Hillman  
R Kennedy  
H Moss  
D Watts

### **Audit Committee**

R Gore (*Chairman*)  
B England  
T Harris  
A Hillman  
D Watts

### **Remunerations Committee**

A Hillman (*Chairman*)  
L Claydon  
T Harris  
R Kennedy  
D Lewis  
J Webster

# Bristol Charities

## REPORT OF THE TRUSTEES

for the year ended 31 March 2013

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### 1. Structure, governance and management

#### 1.1 Key charitable activities of Bristol Charities

The Trustees have identified a number of key charitable activities and these include the provision of modern, properly designed almshouse accommodation, grant-giving and day services for older people. In particular the Trustees have identified the need to ensure that the charitable assets are put to best effect to meet the current needs of individuals in need within the city of Bristol. The Trustees have also recognised that the provision of services to charities located outside Bristol, particularly almshouse charities, ensures that the knowledge and experience gained in Bristol can be shared with other charities, to the mutual benefit of those involved.

The Trustees have adopted a ‘strap-line’ to encapsulate Bristol Charities' future work, as follows:

*“Enhancing the quality of life for older people in our communities.”*

#### 1.2 Governance

In April 2005, *Bristol Charities* was incorporated, in the form of a company limited by guarantee, at which time the Trustees became directors of that company. The company “*Bristol Charities*” serves as sole trustee of the many charities under its control. The Articles of Association now serve as the governing documents of *Bristol Charities*, whereas each charity has its own charitable scheme, describing its objects.

#### 1.3 Appointment of Trustees

The Nominations Committee, whose membership includes the Chairman, Vice Chairman and the chairmen of the various committees, has developed a policy for the identification and recruitment of new Trustees. This involves the creation of a matrix of skills and experience required and this is considered in the context of the skills and experience of existing Trustees. The Nominations Committee meets at least once a year to review the contents of the matrix, in the light of the changing requirements of Bristol Charities, and anticipates those gaps in the matrix that may be created by retirement or other changes. Potential Trustees are identified as follows:

- Candidates recommended by existing Trustees;
- Approaching other organisations for recommendations; and
- Advertising with the local press and an institute of higher education has been carried out in the past.

All potential Trustees are provided with a comprehensive pack of information which includes annual accounts, Company governing documents, committee structure and the terms of reference, a history of the Charities, sample minutes, reports and budgets. They meet with the chairman of Trustees and they are also encouraged to consult our comprehensive website, visit our offices and meet with the Chief Executive. All candidates are interviewed by the Chairman and at least one other member of the Nominations Committee. A *curriculum vitae* and report is then provided to all Trustees and the application is considered at a meeting of the board of Trustees.

Following a Trustee’s appointment, a full briefing is provided by the Chief Executive and new Trustees are encouraged to visit the almshouses, day centres and other premises. Appointments to appropriate committees follow, once new Trustees have had an opportunity to observe Committee meetings.

A process of triennial rotation of Trustees is in place.

# Bristol Charities

## REPORT OF THE TRUSTEES (*continued*) for the year ended 31 March 2013

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### **1.4 Organisation and structure**

The Board of Trustees meets on a three-monthly cycle and it has responsibility for strategic long-term planning, monitoring of performance and regulatory compliance. The implementation of the agreed strategy and the day-to-day management of Bristol Charities are delegated to the Chief Executive.

In order to assist in the process of developing strategic matters, the Trustees hold an annual 'Away Day', which has proved to be an extremely valuable opportunity for the Trustees to review the role and governance of Bristol Charities, consider its current work and discuss its future objectives.

#### ***Away Day***

The annual 'Away Day' was held on 30 April 2013. At this meeting the Trustees decided to pursue further expanding the day service provision by:

- expanding the services provided, for example, activities and drop-in sessions;
- developing the Day Services Centre at the new Barstaple Almshouse as a dedicated service for people with dementia.

#### ***Main standing committees***

During the year the Committee structure was reviewed to reflect recent strategic decisions to concentrate resources on increasing day services' provision and to broaden its range to include dementia care. From May 2013 there are five main committees which meet regularly and two committees which meet as necessary. Each committee is chaired by a trustee and minutes go to the next Board meeting for ratification.

##### ➤ *Almshouses Committee*

This committee monitors the operational side of the almshouses, including admission criteria for residents, maintenance of the buildings, compliments and complaints and finances. The committee considers potential new sites and projects for almshouse accommodation, developments in residential needs for older people and how the charity could respond to these and oversees any building projects.

##### ➤ *Assets and Finance Committee*

This Committee is responsible for overseeing all aspects of the charity's investment portfolio including investment policy, setting appropriate benchmarks and maintaining the performance of the two investment managers. The committee has overall responsibility for all endowment and operational property and non property investments and assets. It also reviews the consolidated annual operating and capital project budgets and central management income and expenditure.

##### ➤ *Audit Committee*

This Committee is responsible for the review of the external audit of the financial statements, the requirement for any internal audit projects and the review of risk management. The Audit Committee recommends to the Board the appointment of the firm which conducts the external audit.

##### ➤ *Day Services Committee*

This committee monitors the operational side of day services including quality assurance, attendance figures, compliments and complaints and the finances. The Committee considers potential new developments in day services and new sites to deliver these services and receives feedback on pilot schemes.

##### ➤ *Grants Committee*

This Committee is responsible for agreeing the criteria for grant giving and reviewing the process for the grant giving charities. It also receives reports about the recipients of grants.

The two committees which meet when necessary are the Nominations Committee to consider potential new trustees to recommend to the Board, and the Remuneration Committee which makes decisions about staff pay.

# Bristol Charities

REPORT OF THE TRUSTEES (*continued*)  
for the year ended 31 March 2013

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## 1.5 Risk management strategy

The risk management strategy of the charities is reviewed annually by the Audit Committee. The committee reviews the identified risks and the procedures to mitigate them.

“Major risks” are those risks that are assessed to have a high likelihood of occurring and would, if they occurred, have a severe impact on operational performance, achievement of aims and objectives or could damage the reputation of the charity. At the most recent meeting, on 26 September 2013, no “major risks” were identified, by this criteria.

The three risks which were identified were as of medium likelihood which would have a high impact were:

- *Loss of key staff*  
Bristol Charities is a small organisation, with only a few senior members of staff, and so loss of key staff members would have a significant impact on the skills, knowledge and experience within the organisation, and also operational capacity.
- *Contract risk, dealing with third parties*  
The risks arising from entering into large construction project or care service provision contract: an onerous or poorly drafted contract could result in significant financial and reputational damage.
- *Project or service development*  
The risks inherent in developing new offerings or expanding services, in terms of project and financial viability, and alignment with the charities' aims.

Actions and procedures to mitigate these risks have been set out in the risk management report and implemented.

Trustees have therefore established a framework that allows them to:

- identify the major risks that apply to Bristol Charities;
- make decisions about how to respond to the risks which they face; and
- make an appropriate statement regarding risk management in the Trustees' annual report.

## 1.6 Delegated authority for day to day running of the charity

The day to day running of the Bristol Charities is delegated by the Trustees to the Chief Executive and staff of Bristol Charities.

## 2. Public benefit, as defined by the Charities Act 2011

In reviewing the disparate work of the charities that form Bristol Charities, the Trustees can report that the two key principles that underpin ‘public benefit’ have been met:

- There is always an identifiable benefit or benefits and these are apparent from the contents of the Annual Report and are all related to the aims of the charities.
- There is a benefit to the public or a section of the public. The beneficiaries are appropriate as laid down by the aims of the various charities and there are no unreasonable restrictions. It is recognised that the Trustees exercise a discretion in deciding upon who will benefit from the charities but that this is permissible under the aims and objects of the charities concerned and the beneficiaries constitute a ‘section of the public’ and, therefore, this is a reasonable exercise of that discretion.

The aims and objects of Bristol Charities are contained in the company's memorandum of association. The Trustees confirm that they:

- ensure that they pursue the aims and objects of the various charities for the public benefit, as defined by the Charities Act 2011;
- have proper regard to the guidance published by the Charity Commission in respect of the subject of public benefit; and
- confirm that this Annual Report provides sufficient information as to the ways in which the public benefit is achieved.

# Bristol Charities

REPORT OF THE TRUSTEES (*continued*)  
for the year ended 31 March 2013

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## 3. Objects and areas of activity

Bristol Charities has four main areas of activity:

### ➤ **Almshouse provision**

The provision of almshouse accommodation for older people within Bristol is carried out through 'Orchard Homes', a Registered Provider. In 2012/2013 there were four active groups of almshouses, being Perrett House, Red Cross Mews, Manor House and John Foster's, which opened in May 2009. Construction of the new Barstable Almshouse commenced in October 2012 and Trustees are actively seeking a site in south Bristol for the new Bengough's Almshouse (please see below).

In addition, those properties that form the 'Furber Fund' also fall within Orchard Homes; they consist of nine three-bedroom semi-detached houses, one three-bedroom terraced house and one two-bedroom flat.

In addition to the almshouse accommodation within Bristol, the Trustees completed the construction of the new *William Jones's Almshouse* in Monmouth in July 2013 (please see below for details).

### ➤ **Grant-giving.**

There are a number of grant-giving charities but the main ones are '*Relief in Need*', '*Relief in Sickness*', the '*Guild of the Handicapped*' and the '*Miss Merchant Fund*'. There are also a number of smaller charities. Grants are made primarily to individuals, mainly in the form of vouchers that are used to acquire specific goods. Most of the recipients have been made homeless for a variety of reasons including mental breakdown or desertion by their partner and are moving into supported accommodation. The highest number of recipients are either single mothers or homeless males. Goods provided include a starter pack with cutlery, crockery, a kettle and cooking utensils, basic furniture or a cooker, refrigerator or washing machine. In the year to 31 March 2013, the Trustees awarded grants of £226,363 (2011/12: £250,362). In recent years the Trustees have created a 'retained ownership scheme', whereby items such as electric wheelchairs and scooters are acquired for named individuals but the ownership is retained so that the items can be recycled if the original recipient no longer requires those items. The number of people in the retained ownership scheme is 61.

The Trustees regularly review the grant-giving operation in order to ensure that the best use is made of charitable monies.

### ➤ **Day services**

The Trustees have provided day services for older people since September 2001, when they assumed responsibility for the *Beehive Centre* in St. George, Bristol. They currently own and manage two day centres – Henbury which is a purpose-built and refurbished day centre and Summerhill in St George.

The funding of those older people who attend the centres is from three main sources: Bristol City Council funding through personal budgets, Bristol Charities' grant-funding and private payers.

Approximately 200 people a week attend the two centres, the vast majority of whom are transported to the centres by Bristol Charities' minibuses. A home-cooked two-course lunch is provided, together with a range of activities. The centres provide an effective means of combating 'social exclusion' and can form an integral part of 'community care' for older people. The major objectives include:

- helping people remain independent in their own homes
- social care and company
- rehabilitation and treatment
- assessment and monitoring
- providing support for carers

# Bristol Charities

REPORT OF THE TRUSTEES (*continued*)  
for the year ended 31 March 2013

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## 3. Objects and areas of activity (*continued*)

### ➤ **Day services (*continued*)**

The Trustees have decided to extend the provision of day services and this is in the context of the changes in provision which were decided by the City Council's Cabinet in July 2012. The first of these will be the new day centre at Barstaple Almshouse which will specialise in day care for people with dementia and is due to open in the spring of 2014.

### ➤ **Responsibility for the William Jones's Almshouse Charity**

The trusteeship of the William Jones's Almshouse Charity was transferred from the Haberdashers' Company to Bristol Charities with effect from 24 June 2011. The Haberdashers' Company had been the trustee for 397 years, since 1614, so this was a significant event for the Company. It was also the first occasion when the Haberdashers had transferred a charity to another trustee. Bristol Charities rebuilt and manages the new almshouses at Monmouth, more detail of which is given below.

### ➤ **Consulting services**

Bristol Charities is not intending to provide any future consulting services through its subsidiary St Augustine's Consulting Limited, which has been dormant throughout the current and preceding years. An application to strike off St Augustine's Consulting Limited has been made to Companies House.

## 4. Activities

### 4.1 New almshouse developments

#### ***The John Foster's Almshouse, Crow Lane, Henbury, Bristol***

This almshouse, completed in March 2009, is taken as a template for the specification of future almshouse accommodation for older people in need, which the Trustees intend to develop in various parts of Bristol, as well as in Monmouth. Visitors to the almshouse continue to provide extremely positive comments and it has inspired visiting delegations of trustees from other charities to expedite their own planning, in order to produce similar accommodation. The true test is the opinion of residents and their comments have been uniformly positive. During the year some of the residents have taken responsibility for planting in the garden and there is now a lovely floral display which is appreciated both by residents whose flats look out on to the garden and by all visitors to the front door.

#### ***Construction of the new Barstaple Almshouse, Brentry, Bristol***

In line with the policy to dispose of almshouses which are no longer suitable to provide appropriate accommodation, the Trustees sold the old Barstaple Almshouse in Old Market, Bristol, in January 2011. The site of the former Methodist Church site in Lower Knole Lane, Brentry, Bristol, was acquired and a planning consent for a new Barstaple Almshouse, a development of 31 one and two-bedroom flats plus a day centre, was obtained in May 2012.

Construction started in January 2013 and completion is expected in February 2014. The new almshouse will open to residents from March 2014. It is the 'Traditional' form of JCT (Joint Contracts Tribunal) contract, where the client is heavily engaged throughout the design and construction of the scheme.

#### ***Acquisition of further almshouse sites in Bristol***

Bristol Charities is actively engaged in seeking a suitable site for an almshouse development in south Bristol but to date no suitable site has been found. The new almshouse will be called Bengough's Almshouse and the sale proceeds of the former care home, known as Bengough's House, which was sold in July 2010, will be invested in the construction of that development.

# Bristol Charities

REPORT OF THE TRUSTEES (*continued*)  
for the year ended 31 March 2013

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## 4.1 New almshouse developments (*continued*)

### *The William Jones's Almshouse, Monmouth*

Since 2005, Bristol Charities has been working closely with the Haberdashers' Company, one of the 'Great Twelve' Livery Companies in the City of London. The Haberdashers' Company had acted as trustee of the William Jones's Almshouse Charity since 1614. With almshouses in Monmouth, South Wales and Newland, Forest of Dean, Bristol Charities had originally been commissioned in July 2005 to carry out a research project, which subsequently resulted in Bristol Charities being appointed as 'development agent' in July 2006.

In January 2007 Bristol Charities assumed direct management responsibility for the William Jones's Almshouse Charity, as part of the preparations for the proposed redevelopment of the Monmouth almshouse site. Monmouth almshouse residents were relocated and the almshouse closed in May 2008. The Newland almshouse, consisting of the almshouse building and the Lecturage (warden's house), was sold in 2010. A nearby field, which belonged to the charity, was sold in 2012. The proceeds of these sales were invested in the construction of the new almshouses.

Planning consent was obtained in June 2011 to replace the 20 former almshouse units, which were mainly bed-sits, with 24 one-bedroom 'independent-living' flats. The building project was completed in June 2013 and the first residents moved in during July 2013.

## 4.2 Developing day services

Bristol Charities currently provides a full range of day services at the Henbury Centre and at the Summerhill Centre, St. George, as stated above. More information is provided on the website, together with an explanatory film and commentary.

Over the years, the service has been developed to meet the needs of clients and the feedback from all parties is positive and affirming. Bristol Charities intends to extend day services within Bristol and ensure that the service meets current and future needs. To this end, an ad-hoc committee was formed in July 2012, to examine current services and to consider appropriate bench-marking. Trustees will ensure that Bristol Charities persists in its efforts to ensure that the day services are 'state-of-the-art'.

The day services places are largely funded by Bristol Council. The method of allocating funding changed at the end of the year from block funding, in the majority, to clients being given individual budgets which are administered by the council. There was little impact during the year, and the situation will be monitored going forward.

## 5. Financial review, investments and reserves policy

### *Financial review*

Bristol Charities and its subsidiary charities are financially strong, with reserves of approximately £26.5 million. Of these, £2.9 million consist of General Unrestricted Funds, of which approximately £2.0 million is held in cash. Of the Restricted Reserves of £0.9 million, nearly £0.19m is held in cash and short term cash deposits, which represents the undistributed balances from our grant-giving activities.

The standard central costs were well controlled during the year, increasing at no more than RPI. These costs are allocated to the Charitable Activities, Grant-Giving and Investment Management. There was a one-off cost in the year relating to the departure of the former Chief Executive, which was drawn from Bristol Charities' accumulated unrestricted cash reserves.

# Bristol Charities

REPORT OF THE TRUSTEES (*continued*)  
for the year ended 31 March 2013

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## 5. Financial review, investments and reserves policy (continued)

### *Investments*

*Baring Asset Management* and *Smith & Williamson Investment Management Limited*, manage the Charities' non-property investments: each is allocated 50% of the portfolio. The members of the Assets and Finance Committee meet with the firms on a regular basis to review their performance against agreed benchmarks.

The investment policy is for a balanced return with a medium level of risk. The Trustees seek to produce the optimum total return, commensurate with at least maintaining the capital value in line with inflation, as defined by the National Statistics.

Each of the investment managers was instructed to generate a minimum spendable return of £160,500 in the year, with the value of the income generated to rise in line with average earnings. The aggregate income generated by the two investment managers was £353,115, exceeding the target.

In 2011 Trustees agreed that the two firms would be appointed for a further two years, until February 2013, at which time the Trustees would consider the position. This has been done and the decision has been made to remain with two firms for the next year.

### *Reserves policy*

Bristol Charities/Orchard Homes is financed by a combination of permanent endowment, restricted reserves and unrestricted reserves, including designated reserves. These reserves, their uses and the movement thereon in the year are set out in the Notes. The reserves policy is reviewed annually by the Trustees.

The recurring operating income of the company has historically been predictable, comprising a combination of investment income on the permanent endowment and surpluses from almshouse provision and other activities. However, the Trustees are mindful of the need to conserve a reasonable level of unrestricted reserves in order to ensure that the needs of beneficiaries may be consistently met through periods of economic downturn, when calls on funds may be greater. Trustees believe that unrestricted cash reserves of six months' operating costs, including the historic level of grant-giving, are appropriate for this purpose.

Following the one off costs relating to the departure of the former Chief Executive, £113,000 is held in unrestricted cash reserves in Bristol Charities (not including the subsidiary charities). This represents four months' central costs, therefore the reserve will be rebuilt in the coming years.

Trustees are mindful of the ever-greater need for almshouse and day services provision demanded by an ageing population and the ever-higher specification required. The almshouses operation generates a surplus and the policy of Trustees is that the accumulated surplus will be put towards the cost of new almshouse accommodation. They will also seek donations towards the permanent endowment and are prepared to engage in prudent borrowing in order to increase the stock of accommodation.

## 6. Going concern

The Trustees consider that the demand for the charity's services will continue. The Trustees continue to ensure that the risks associated with financial markets relating to the investments are minimised. The Trustees have a reasonable expectation that the charity has adequate resources to continue for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report of the Trustees and financial statements.

# Bristol Charities

REPORT OF THE TRUSTEES (*continued*)  
for the year ended 31 March 2013

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## 7. Trustees' Responsibilities Statement

The trustees (who are also directors of Bristol Charities for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Deloitte LLP has indicated its willingness to continue in office.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Trustees and signed on their behalf by:

.....

Andrew Hillman, A.C.A. (Chairman of Trustees)

Date .....

# Bristol Charities

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BRISTOL CHARITIES for the year ended 31 March 2013

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We have audited the financial statements of Bristol Charities for the year ended 31 March 2013 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group and parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2013 and of the group's incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Bristol Charities

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF BRISTOL CHARITIES for the year ended 31 March 2013 (continued)

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### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate accounting records or returns for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Mark Hill (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Bristol, United Kingdom

# Bristol Charities

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 March 2013

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2013 £	Total 2012 £
<b>Incoming resources</b>						
Incoming resources from generated funds						
Voluntary income	2	1,505	1,943	69,979	73,427	5,788
Investment income	3	173,269	429,002	-	602,271	582,999
Incoming resources from charitable activities						
	6	791,956	-	-	791,956	908,460
Other incoming resources						
Other income		3,211	122		3,333	4,741
Profit on disposal of charitable assets				129,706	129,706	-
<b>Total incoming resources</b>		<b>969,941</b>	<b>431,067</b>	<b>199,685</b>	<b>1,600,693</b>	<b>1,501,988</b>
<b>Resources expended</b>						
Costs of generating funds						
		7,980	-	-	7,980	8,627
Charitable activities	6	1,051,742	292,750	-	1,344,492	1,139,494
Governance costs	5	19,153	-	-	19,153	30,819
<b>Total resources expended</b>		<b>1,078,875</b>	<b>292,750</b>	<b>-</b>	<b>1,371,625</b>	<b>1,178,940</b>
<b>Net incoming resources before transfers</b>	4	<b>(108,934)</b>	<b>138,317</b>	<b>199,685</b>	<b>229,068</b>	<b>323,048</b>
<b>Transfers</b>						
Gross transfers between funds	8	(62,017)	(566,527)	638,066	9,522	-
<b>Net incoming resources before other recognised gains and losses</b>		<b>(170,951)</b>	<b>(428,210)</b>	<b>837,751</b>	<b>238,590</b>	<b>323,048</b>
<b>Other recognised gains and losses</b>						
Gains/(losses) on investment assets		4,770	39,139	750,303	794,212	(119,994)
Disposal of Joseph Neeld Charity		-	-	-	-	(513,308)
Addition of William Jones Charity		-	-	718,028	718,028	868,443
<b>Total other gains and losses</b>		<b>4,770</b>	<b>39,139</b>	<b>1,468,331</b>	<b>1,512,240</b>	<b>235,141</b>
<b>Net movement in funds</b>		<b>(166,181)</b>	<b>(389,071)</b>	<b>2,306,082</b>	<b>1,750,830</b>	<b>558,189</b>
<b>Reconciliation of funds</b>						
Total funds brought forward	17	4,474,022	1,283,516	19,261,260	25,018,798	24,460,609
Fund balances carried forward		4,307,841	894,445	21,567,342	26,769,628	25,018,798

All results relate to continuing operations

The funds from the disposal of Stokes Croft Almshouse were transferred to Orchard Homes during the year and invested in the new Barstaple Almshouse.

Further, the Charity has no recognised gains or losses other than those shown above.

# Bristol Charities

## BALANCE SHEET

as at 31 March 2013

	Note	Consolidated 2013 £	Consolidated 2012 £	Charity 2013 £	Charity 2012 £
<b>Fixed assets</b>					
Housing properties	10	6,697,689	4,370,422	-	(88,197)
Tangible assets	11	416,464	430,774	411,494	427,565
Investments	12	14,820,665	14,060,408	11,856,156	11,164,909
		<u>21,934,818</u>	<u>18,861,604</u>	<u>12,267,650</u>	<u>11,504,277</u>
<b>Current assets</b>					
Asset held for sale		6,933	376,748	-	368,012
Debtors	13	459,814	729,940	1,104,076	692,858
Investments		4,768,264	5,527,732	312,327	1,082,910
Cash at bank and in hand		384,545	368,429	101,491	107,324
		<u>5,619,556</u>	<u>7,002,849</u>	<u>1,517,894</u>	<u>2,251,104</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(784,746)</u>	<u>(845,655)</u>	<u>(982,318)</u>	<u>(1,121,769)</u>
<b>Net current assets</b>		<u>4,834,810</u>	<u>6,157,194</u>	<u>535,576</u>	<u>1,129,335</u>
<b>Total net assets</b>		<u>26,769,628</u>	<u>25,018,798</u>	<u>12,803,226</u>	<u>12,633,612</u>
<b>Capital and reserves</b>					
Endowment reserves	15	21,567,342	19,261,260	11,856,156	11,155,862
Restricted reserves	16	894,445	1,283,516	186,952	548,228
Unrestricted reserves:					
Revenue reserves	17	2,939,189	2,795,145	760,118	929,522
Designated reserves	17	1,368,652	1,678,877	-	0
<b>Total charitable funds</b>		<u>26,769,628</u>	<u>25,018,798</u>	<u>12,803,226</u>	<u>12,633,612</u>

The notes on pages 18 to 44 form part of these accounts.

The financial statements of Bristol Charities, registered company number 05402303, were approved by the Trustees and authorised for issue on \_\_\_\_\_ and signed on their behalf by:

.....  
Andrew Hillman (Chairman)

# Bristol Charities

## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2013

### MOVEMENT IN NET FUNDS

	Note	2013 £	2012 £
<b>Net cash outflow from operating activities</b>	i	(260,899)	(155,680)
<b>Returns on investments and servicing of finance</b>			
Investment income and interest received		594,292	574,372
<b>Capital expenditure and financial investment</b>	ii	(1,419,941)	(637,904)
<b>Acquisitions and disposals</b>	iii	343,197	175,327
<b>Decrease in cash</b>		<u>(743,351)</u>	<u>(43,885)</u>

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2013 £	2012 £
Decrease in cash	(743,351)	(43,885)
Cash and interest-bearing deposits brought forward	5,896,160	5,940,045
Cash and interest-bearing deposits carried forward	<u>5,152,809</u>	<u>5,896,160</u>

### NOTES TO CASH FLOW STATEMENT

	2013 £	2012 £
i. Net cash outflow from operating activities		
Net incoming resources before other recognised gains and losses	229,068	323,048
Investment income	(544,795)	(538,437)
Consolidated interest receivable	(47,957)	(44,562)
Bank charges on investment account	7,980	8,627
Depreciation	84,465	83,574
Profit on sale of properties	(129,706)	-
Profit on disposal of investments	1,380	858
Endowment donations invested	(69,979)	-
Decrease / (increase) in value of assets held for sale	(571)	-
Decrease / (increase) in debtors	270,128	(476,544)
Increase / (decrease) in creditors	(60,912)	504,920
Adjustments to debtors / creditors	-	(29,936)
Dr Owen's donation transferred to Orchard Homes	-	12,772
Net cash outflow from operating activities	<u>(260,899)</u>	<u>(155,680)</u>
ii. Capital expenditure and financial investment		
Monies invested held in Common Pool Investment fund	-	(44,020)
Endowment funds invested in Common Pooled Investment fund	69,979	-
Proceeds from sales of charitable properties	618,821	-
Proceeds from the sale of investment properties	555,000	89,258
Proceeds from the sale of investments	10,925	40,140
Fixed asset additions	(2,315,587)	(723,282)
Less additions arising on consolidation of William Jones's Accounts	237,648	-
Spend on investment assets held for sale	(37,909)	-
Term deposits investment	(558,818)	-
Net cash (outflow)/ inflow from capital expenditure and financial investment	<u>(1,419,941)</u>	<u>(637,904)</u>

# Bristol Charities

## CONSOLIDATED CASH FLOW STATEMENT *(continued)*

for the year ended 31 March 2013

	2013	2012
	£	£
iii. Acquisitions and disposals		
Reduction of creditors on combining Stokes Croft	-	388,363
Reduction of debtors on combining Stokes Croft	-	(32,755)
Disposal of trusteeship of Joseph Neeld to Kingston St Michael	-	(510,303)
Transfer of Joseph Neeld cash to Kingston St Michael	(139,419)	-
Reduction in debtors due to transfer of Elgin Cottage to Kingston St Michael	482,616	-
Cash increase on acquisition of trusteeship of William Jones's Almshouse	-	777,992
Adjustment to debtors/creditors on acquisition of and consolidation of William Jones's Almshouse Charity in the group accounts	-	(447,970)
	<hr/>	<hr/>
Net cash inflow from acquisitions and disposals	343,197	175,327
	<hr/> <hr/>	<hr/> <hr/>

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

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### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

The financial statements have been prepared under the historic cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) revised in 2010, applicable UK Accounting Standards, and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

These accounts have been prepared on a going concern basis. Please see the Trustees' report for further details.

#### **Basis of consolidation**

Following the incorporation of Bristol Charities as at 1 April 2005, consolidated accounts have been prepared. The group's financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

Orchard Homes and William Jones's Almshouse Charity are consolidated within these accounts as Bristol Charities is the sole Trustee of the entities. St Augustine's Consulting Limited, the charity's trading subsidiary, has also been consolidated within these accounts.

#### **Going Concern**

Bristol Charities activities and future plans are set out in the Trustees' report.

Bristol Charities has no external borrowing facilities and manages its activities with positive unrestricted bank balances. The Trustees forecasts and projections, taking account of reasonably foreseeable changes in income and expenditure, show that Bristol Charities should be able to continue to operate on this basis.

Investment and rental income represent Bristol Charities largest income streams with substantial investments in the Common Pooled Investment Fund held. Two firms, Baring Asset Management and Smith & Williamson Investment Management Limited, were appointed to manage the non-property investments and each was allocated 50% of the portfolio. The investment policy is for a balanced return with a medium level of risk. The Trustees seek to produce the optimum total return, commensurate with at least maintaining the capital value in line with inflation, as defined by the National Statistics.

The Trustees consider that the demand for the charity's services will continue as almshouses are currently fully occupied and demand is high.

Based on the above the Trustees have a reasonable expectation that the charity has adequate resources to continue for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report of the Trustees and financial statements.

#### **Incoming resources**

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- the donor specifies that the grant or donation must only be used in future accounting periods; or
- the donor has imposed conditions which must be met before the charity has unconditional entitlement.

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS (*continued*) for the year ended 31 March 2013

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### 1. ACCOUNTING POLICIES (*continued*)

Rental income from investment properties is included on an accruals basis.

Investment income from the Common Pooled Investment Fund and other investment income is included on an accruals basis. Income relating to grant endowments is restricted, and income relating to Orchard Homes endowments is unrestricted.

Interest receivable is recognised on an accruals basis.

Management charges to the charities administered by Bristol Charities are charged on a monthly basis.

Other income is recognised on an accruals basis and is recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

#### **Resources expended**

Expenditure is recognised when a liability is incurred. Grant payments are recognised when a constructive obligation arises that results in the payment becoming due.

- Charitable activities include both the direct costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources (e.g. allocating staff costs on the time spent and other costs by their usage).

#### **Funds**

Unrestricted funds comprise those funds that the Trustees are free to use in accordance with the charitable objects of the charity.

Restricted funds are funds that have been given for particular purposes.

Endowment funds represent those assets that must be held permanently by the charity. Income arising on the endowment fund can be used in accordance with the objects of the charity and is included as either restricted or unrestricted income, as appropriate. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

#### **Tangible fixed assets**

Tangible fixed assets are capitalised at cost where the asset has a useful economic life that is more than a year.

Freehold property (excluding land) is depreciated over fifty years on a straight-line basis. Assets in the course of construction are capitalised at cost and not depreciated until the work is complete and the assets are transferred to other categories.

Housing properties are stated at cost. The cost of such properties includes the cost of acquiring land and buildings and development expenditure. Interest is capitalised up to the date of practical completion of the relevant scheme.

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS (*continued*) for the year ended 31 March 2013

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### 1. ACCOUNTING POLICIES (*continued*)

Where developments have been financed wholly or partly by Social Housing grants, the cost of these developments has been reduced by the amount of the grant received. Social Housing grants are repayable under certain circumstances, primarily following the sale of a relevant property when the repayable amount will often be restricted to the net proceeds of the sale.

Alterations to leasehold properties are capitalised on completion and depreciated over between five and fifty years on a straight-line basis over the period of the lease.

Motor vehicles are depreciated at 25% per annum on a reducing balance basis.

Computers, other office equipment, fixtures and equipment are depreciated over between three and ten years on a straight-line basis.

An impairment review will be undertaken when an indication of impairment has been identified.

#### **Pension costs**

The Charity contributes to The Growth Plan 3 Scheme for certain staff, which is run by The Pensions Trust. The assets of the scheme are held separately from those of the Charity. The annual contributions payable are charged to the Statement of Financial Activities as they become payable. This scheme was designed as a defined contribution scheme, but is in fact a defined benefit scheme in that the minimum capital value of contributions is guaranteed. This scheme closes to future contributions in October 2013, after which contributions will be made into a true defined contribution scheme.

The Charity makes deficit contributions to a final salary scheme for certain members of staff. The scheme is in a separate fund where the assets are held and administered by The Pensions Trust. Contributions in respect of the scheme are charged to the Statement of Financial Activities as they become payable. The scheme closed to future accrual at 31 March 2011.

Both the final salary scheme and the Growth Plan 3 Scheme, operated by The Pensions Trust, are multi-employer defined benefit scheme in which the Charity's share of underlying assets and liabilities cannot be identified. The Charity has therefore made use of the disclosure exemption contained in FRS17.

#### **Investments**

Investments are included at their mid-market value at the balance sheet date. Any gain or loss on valuation is taken to the endowment fund and reflected in the Statement of Financial Activities.

#### **Taxation**

Bristol Charities is a registered charity and as such is entitled to relevant tax exemptions on its charitable income and gains properly applied under normal circumstances for its charitable purposes.

#### **Grants payable**

Grants payable are charged in the year when the offer is pledged to the recipient.

#### **Company status**

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 2. In the event of the charity being wound up, the liability in respect of the guarantee is limited.

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 March 2013

### 2. VOLUNTARY INCOME

Donations have been received from the following and allocated to the activities as shown:

	Grant-giving £	Day care services £	Total 2013 £	Total 2012 £
Sponsorship by St Peter's Non-Ecclesiastical Charity	-	1,040	1,040	2,080
Sundry donations	20	465	485	250
Receipt of Bagshaw Birkin Charitable funds	67,336	-	67,336	-
Legacies received for the Bristol Guild of the Handicapped Trust	4,566	-	4,566	3,458
	<u>71,922</u>	<u>1,505</u>	<u>73,427</u>	<u>5,788</u>

### 3. INVESTMENT INCOME

Investment income arose from the following sources:

	2013 £	2012 £
Income from the Common Pooled Investment Fund (CPIF) including dividends (note 20)	534,067	537,942
CPIF income allocated as management charge	20,000	-
Income from other investments	248	495
Interest received	47,956	44,562
	<u>602,271</u>	<u>582,999</u>

In addition to the interest received of £47,956 above; a further £4,090 interest was received by Bristol Charities, and £5,429 received by Orchard Homes, on to the loan made to William Jones's Almshouse Charity. These inter-group transactions have been netted off in the consolidated accounts.

### 4. NET INCOMING RESOURCES

Net incoming resources before transfers is stated after charging/ (crediting):

	2013 £	2012 £
Depreciation of tangible fixed assets	21,417	20,508
Depreciation of housing properties	63,048	63,066
Profit on disposal of charitable assets		
Surplus on sale of housing property by Orchard Homes	(129,706)	-
Surplus on grant to joint developer of licence to build houses by William Jones's Almshouse Charity	-	-
Auditor's remuneration:		
Fees for the audit of the parent Charity's financial statements and consolidation	11,040	19,183
Fees for the audit of the Charity's subsidiaries' financial statements	10,980	11,177
	<u>11,040</u>	<u>19,183</u>
	<u>10,980</u>	<u>11,177</u>

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 March 2013

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### 5. ALLOCATION OF SUPPORT COSTS

The Charity allocates its support costs as shown in the table below and then further apports those costs between the charitable activities undertaken. Support costs are allocated on a basis consistent with the use of resources.

Support cost	Charitable activities £	Governance £	Total 2013 £	Total 2012 £
General office	282,535	-	282,535	28,743
External audit of the financial statements	-	22,020	22,020	30,360
	<u>282,535</u>	<u>22,020</u>	<u>304,555</u>	<u>59,103</u>

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 March 2013

### 6. ANALYSIS OF CHARITABLE INCOME AND EXPENDITURE

	Grant- giving £	Day care services £	Almshouse services £	Management £	Total 2013 £	Total 2012 £
<i>Incoming resources from charitable activities</i>						
Funding received from Social Services and contributions from attendees	-	227,670	-	-	227,670	322,648
Contributions received for use of facilities	-	2,327	-	-	2,327	1,109
Almshouse weekly maintenance charges	-	-	561,459	-	561,459	575,293
<i>Management of:-</i>						
Lady Haberfield's Almshouse Charity	-	-	-	-	-	9,410
Joseph Neeld Almshouse Charity	-	-	-	500	500	-
	-	229,997	561,459	500	791,956	908,460
<i>Incoming resources from generated funds</i>						
Voluntary income	1,943	1,495		10	3,448	2,330
Investment income	425,501		142,785	33,985	602,271	582,999
Total incoming resources from generated fund	427,444	1,495	142,785	33,995	605,719	585,329
Total incoming resources from activities	427,444	231,492	704,244	34,495	1,397,675	1,493,789
Other income					3,333	4,741
Endowment donations and investment income					69,979	3,458
Restricted legacies received						-
Surplus on sale of housing properties					129,705	-
<b>Total incoming resources</b>					<b>1,600,693</b>	<b>1,501,988</b>
<i>Resources expended on charitable activities</i>						
Grants	226,362	-	-	-	226,362	250,362
Direct expenditure	56,158	392,478	386,958	-	835,594	860,848
Support costs	10,230	9,692	65,694	196,920	282,536	28,284
Total resources expended on charitable activities	292,750	402,170	452,652	196,920	1,344,492	1,139,494
Net income	134,694	(170,678)	251,592	(162,425)		
Costs of generating funds					7,980	8,627
Governance costs					19,153	30,819
<b>Total resources expended</b>					<b>1,371,625</b>	<b>1,178,940</b>
<b>Net incoming resources before transfers</b>					<b>229,068</b>	<b>323,048</b>

Charitable income and expenditure has been analysed between the following categories:

- Grant-giving – The income received from these funds is used for direct grant-giving purposes to individuals and organisations.
- Day Care Services – These services are funded from indirect grant-giving charities and other sources.
- Home and Residential Services – Surpluses will be reinvested in new almshouse accommodation.

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 March 2013

7. ANALYSIS OF STAFF COSTS	2013	2012
	£	£
Salaries and wages	423,871	416,557
Social security costs	36,975	39,519
Other pension costs	47,045	27,086
Accrued costs relating to termination of the appointment of the Chief Executive	149,242	-
	<u>657,133</u>	<u>483,162</u>
Staff costs include:		
	No.	No.
Staff with emoluments in the range: £100,000 to £120,000	<u>1</u>	<u>1</u>
£26,657 was paid into a money purchase pension scheme on behalf of this member of staff (2012: £8,160).		
The average number of staff employed during the year was	<u>21</u>	<u>20</u>

Trustees received no remuneration and were not reimbursed for any of their expenses in the year. Trustees' indemnity insurance is held.

As described in note 19, Bristol Charities used to offer a final salary pension scheme, but this scheme was closed to new members with effect from January 2000. The assets of the scheme are held separately from those of Bristol Charities in an independently held fund administered by The Pensions Trust. The contributions made to the scheme in the year were £11,899 (2012: £11,419). The scheme closed to future accrual at 31 March 2010 and from 1 April 2011 contributions in respect of future service have ceased. The two current members are, from 1 April 2011, members of the Pension Trust Growth Plan scheme.

The Charity also contributes to The Pensions Trust Growth Plan schemes for current staff (see note 19 for more information). The assets of the scheme are held separately from those of the Charity. The annual contributions payable are charged to revenue as they become payable. The cost during the year was £8,489 (2012: £7,507).

The amounts outstanding at the year-end were £3,836 (2012: nil).

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 March 2013

8. GROSS TRANSFERS BETWEEN FUNDS	Unrestricted Funds £	Restricted Funds £	Endowment Funds £
<b>Grants</b>			
Donations from Relief in Need Charity for sponsorship of Henbury Day Centre places	33,576	(33,576)	-
Donations from The Guild of the Handicapped Trust for sponsorship of Henbury Day Centre places	12,728	(12,728)	-
Donations from The E M Merchant Fund for sponsorship of Henbury Day Centre places	35,168	(35,168)	-
Donations from The E M Merchant Fund for sponsorship of Summerhill Day Centre places	1,792	(1,792)	-
Donations from Relief in Need Charity to subsidise Summerhill Day Centre	88,566	(88,566)	-
Sundry grants to the Almshouses	747	(747)	-
Allocation from Dr. George Owen's Charity	12,690	(12,690)	-
	<hr/>	<hr/>	<hr/>
Interest from loan to William Jones's Almshouse	185,267	(185,267)	-
	<hr/>	<hr/>	<hr/>
	4,090	-	-
	<hr/>	<hr/>	<hr/>
	189,357	(185,267)	-
<b>Stokes Croft Almshouse Charity</b>			
Transfer of funds to Orchard Homes, invested in Barstaple Almshouse	-	(315,838)	-
<b>Orchard Homes</b>			
Expenditure on new lifts at Perrett House funded from extraordinary repairs fund	53,291	(53,291)	-
Transfer of loss on disposal of CPIF units	131	(131)	-
Almshouse additions	(310,225)	(12,000)	638,066
Interest from loan to William Jones's Almshouse	5,429	-	-
	<hr/>	<hr/>	<hr/>
Total transfers between funds to 31 March 2013	(62,017)	(566,527)	638,066
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total transfers between funds to 31 March 2012	162,795	367,818	(530,613)

All transfers have been made in accordance with restrictions attached to original donations.

The allocation from the Dr George Owen's charity is the amount that is allocated to Orchard Homes.

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 March 2013

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### 9. TRADING SUBSIDIARY

St Augustine's Consulting Limited was dormant throughout the current and preceding year. The net assets of St Augustine's Consulting Limited, a company incorporated in England and Wales, are as stated below:

	2013	2012
	£	£
Current assets		
Debtors	2	2
	<hr/>	<hr/>
Net assets represented by share capital	2	2
	<hr/> <hr/>	<hr/> <hr/>

A request to strike off St Augustine's Consulting Limited from the companies' register was sent to Companies House in June 2013.

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 March 2013

10. HOUSING PROPERTIES				
CONSOLIDATED	Assets in the course of construction £	Almshouses £	Housing £	Total £
<b>Freehold property at cost</b>				
At 1 April 2012	1,351,109	4,922,063	146,419	6,419,591
Additions	2,396,677	-	-	2,396,677
Transferred to assets held for disposal	-	-	(7,292)	(7,292)
	<u>3,747,786</u>	<u>4,922,063</u>	<u>139,127</u>	<u>8,808,976</u>
<b>Depreciation</b>				
At 1 April 2012	-	115,554	17,572	133,126
Charge for the year	-	61,602	1,446	63,048
Eliminated on disposals	-	-	(930)	(930)
	<u>-</u>	<u>177,156</u>	<u>18,088</u>	<u>195,244</u>
<b>Social Housing grants</b>				
At 1 April 2012	-	(1,916,043)	-	(1,916,043)
Transfer of Social Housing Grant	(88,197)	88,197	-	-
	<u>(88,197)</u>	<u>(1,827,846)</u>	<u>-</u>	<u>(1,916,043)</u>
<b>Net book value at 31 March 2013</b>	<u>3,659,589</u>	<u>2,917,061</u>	<u>121,039</u>	<u>6,697,689</u>
<b>Net book value at 31 March 2012</b>	<u>1,351,109</u>	<u>2,890,466</u>	<u>128,847</u>	<u>4,370,422</u>

The Housing balance of £121,039 represents the net book value of the Furber Fund housing properties.

The transfer of Social Housing Grant relates to the social housing grant for Stokes Croft almshouse. This was held in Bristol Charities in 2011/12. It was transferred to Orchard Homes in the year, as the Stokes Croft funds were invested in the new Barstaple Almshouse.

All the housing properties are held in subsidiary charities, and so no Housing Properties note has been prepared for the charity Bristol Charities, only the consolidated note above.

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 March 2013

### 11. TANGIBLE FIXED ASSETS

CONSOLIDATED	Improvements to leasehold property	Vehicles	Computers, office equipment and other equipment	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 April 2012	514,324	58,895	111,459	684,678
Additions	-	4,858	4,007	8,865
Disposals	-	(2,500)	(7,028)	(9,528)
At 31 March 2013	514,324	61,253	108,438	684,015
<b>Depreciation</b>				
At 1 April 2012	107,450	48,981	97,473	253,904
Charge for the year	15,205	2,937	3,275	21,417
On disposals	-	(742)	(7,028)	(7,770)
At 31 March 2013	122,655	51,176	93,720	267,551
<b>Net book value</b>				
At 31 March 2013	391,669	10,077	14,718	416,464
At 31 March 2012	406,874	9,914	13,986	430,774
<b>CHARITY</b>			Computers, office equipment and other equipment	Total
	Improvements to leasehold property	Vehicles		
	£	£	£	£
<b>Cost or valuation</b>				
At 1 April 2012	514,324	54,178	111,016	679,518
Additions	-	4,859	1,139	5,998
Disposals	-	(2,500)	(7,029)	(9,529)
At 31 March 2013	514,324	56,537	105,126	675,987
<b>Depreciation</b>				
At 1 April 2012	107,450	47,140	97,363	251,953
Charge for the year	15,205	2,218	2,888	20,311
On disposals	-	(742)	(7,029)	(7,771)
At 31 March 2013	122,655	48,616	93,222	264,493
<b>Net book value</b>				
At 31 March 2013	391,669	7,921	11,904	411,494
At 31 March 2012	406,874	7,038	13,653	427,565

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 March 2013

### 12. FIXED ASSET INVESTMENTS

CONSOLIDATED	Common	Other	Total	Total
	Pooled			
	Investment			
	Fund			
	£	£	£	£
Market value at 1 April	14,049,207	11,201	14,060,408	14,254,697
Additions	69,979	-	69,979	9,241
Disposals	(88,477)	(10,559)	(99,036)	(83,536)
Net investment gains/ (losses) on revaluation	787,803	1,511	789,314	(119,994)
Market value at 31 March	14,818,512	2,153	14,820,665	14,060,408
Historical cost	10,491,598	-	10,491,598	10,504,519

Included within net investment gains are unrealised gains of £475,310 (2012: £163,390 losses) and net realised gains of £364,632 (2012: £43,396 gains).

At 31 March 2013 the Group held 2,906,695 units in the Bristol Charities Common Pooled Investment Fund (2012: 2,910,597 units).

CHARITY	Common	Other	Total	Total
	Pooled			
	Investment			
	Fund			
	£	£	£	£
Market value at 1 April	11,154,718	10,191	11,164,909	11,284,727
Additions	69,979	-	69,979	9,241
Disposals		(10,559)	(10,559)	-
Net investment gains/ (losses)	630,316	1,511	631,827	(129,059)
Market value at 31 March	11,855,013	1,143	11,856,156	11,164,909
Historical cost	8,163,063	-	8,163,063	8,098,867

Included within net investment gains are unrealised gains of £630,316 (2012: £129,059 losses) and realised gains £1,511 (2012: nil).

At 31 March 2013 the Charity held 2,325,396 units in the Bristol Charities Common Pooled Investment Fund (2012: 2,310,941 units).

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 March 2013

### 13. DEBTORS

<u>Due within one year:</u>	Consolidated 2013 £	Consolidated 2012 £	Charity 2013 £	Charity 2012 £
Amounts due from related charities	-	-	33,971	-
Escrow account for William Jones's Almshouse construction project	304,047	608,853	304,047	608,853
Prepayments and accrued income	111,850	71,805	99,246	58,872
Other debtors	43,917	49,282	38,437	25,133
	<u>459,814</u>	<u>729,940</u>	<u>475,701</u>	<u>692,858</u>
<u>Due after more than one year:</u>				
Amounts due from related charities	-	-	628,376	-
	<u>459,814</u>	<u>729,940</u>	<u>1,104,076</u>	<u>692,858</u>

### 14. CREDITORS

Amounts falling due within one year:	Consolidated 2013 £	Consolidated 2012 £	Charity 2013 £	Charity 2012 £
Loans and overdrafts	6,240	6,240	-	-
Trade creditors	108,118	75,096	61,451	15,228
Amounts due to subsidiary and associated undertakings	-	-	631,929	459,987
Joseph Neeld assets to be transferred to Kington St Michael united charities	-	507,431	-	507,431
Other creditors	119,830	72,260	100,757	65,238
Accruals	550,558	184,628	188,181	73,885
	<u>784,746</u>	<u>845,655</u>	<u>982,318</u>	<u>1,121,769</u>

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 March 2013

### 15. CONSOLIDATED ENDOWMENT FUNDS

	Units held in Common Pooled Investment Fund	Investments in Common Pooled Investment Fund	Other Investments and Property	Total Endowment Funds
	Units	£	£	£
<b>Grant-giving charities</b>				
Relief in Need Charity (see note 21)	1,178,138	6,006,220	1,143	6,007,363
Relief in Sickness Charity (see note 21)	229,261	1,168,786		1,168,786
Bristol Guild of the Handicapped Trust	267,672	1,364,608		1,364,608
Bagshaw Birkin	13,602	69,344		69,344
Furber Ministers' Fund	4,312	21,983		21,983
Hooks Mill Educational Foundation	15,901	81,064		81,064
Richard Hughes Charity	445	2,269		2,269
Richard Hughes Educational Charity	509	2,595		2,595
Barry T Jones Fund	86,351	440,223		440,223
Miss E M Merchant Trust	80,620	411,006		411,006
Dr Owen's Charity	423,981	2,161,481		2,161,481
Soldiers Corner, Arnos Vale Cemetery Fund	643	3,278		3,278
Rev Dr T White's Essex Estates	10,959	55,870		55,870
Rev Dr T White's Grays Inn Lane Trust	8,421	42,931		42,931
Westbury-on-Trym Consolidated Fund	4,187	21,346		21,346
Reginald Williams Memorial Fund	394	2,009		2,009
	2,325,396	11,855,013	1,143	11,856,156
<b>Homes and residential services</b>				
Orchard Homes Endowment	442,522	2,256,005	5,887,964	8,143,969
William Jones's Almshouse Charity	-	-	1,567,217	1,567,217
<b>Total Endowment Funds</b>				
At 31 March 2013	2,767,918	14,111,018	7,456,324	21,567,342
<b>Total Endowment Funds</b>				
At 31 March 2012	2,753,463	13,290,736	5,970,524	19,261,260

Further information regarding all the Charities is included in a booklet entitled "History of the Grant-Giving and Almshouse Charities", which has been produced by Bristol Charities. The information is also available on the Bristol Charities' website.

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 March 2013

### 16. RESTRICTED FUNDS

	Balance 1 April 2012 £	Total income £	Total expenditure £	Gains/(losses) and transfers £	Balance 31 March 2013 £
<b>Grants</b>					
Relief in Need Charity	59,116	216,556	(145,748)	(122,889)	7,035
Relief in Sickness Charity	133	42,119	(37,608)	-	4,644
Bristol Guild of the Handicapped Trust	120,023	49,960	(22,108)	(12,728)	135,147
Bagshaw Birkin	-	2,417	(388)	-	2,029
Furber Ministers' Fund	275	794	(700)	-	369
Hooks Mills Educational Foundation	9,080	2,979	(2,990)	-	9,069
Richard Hughes Charity	27	82	(150)	-	(41)
Richard Hughes Educational Charity	179	94	-	-	273
Barry T Jones Fund	16,151	16,028	(11,100)	-	21,079
Miss E M Merchant Trust	31,390	14,907	(2,400)	(36,960)	6,937
Dr Owen's Charity	-	77,893	(65,202)	(12,691)	-
Soldiers Corner, Arnos Vale Cemetery Fund	27	118	(97)	-	48
Rev Dr T White's Essex Estates	-	2,013	(2,013)	-	-
Rev Dr T White's Grays Inn Lane Trust	-	1,548	(1,548)	-	-
Westbury-on-Trym Consolidated Fund	210	770	(650)	-	330
Reginald Williams Memorial Fund	8	72	(48)	-	32
<b>Grant restricted funds held at year end</b>	<b>236,619</b>	<b>428,350</b>	<b>(292,750)</b>	<b>(185,268)</b>	<b>186,951</b>
<b>Stokes Croft Almshouse Charity</b>					
Restricted reserves	311,609	2,718	-	(314,327)	-
<b>Total charity restricted funds held at year end</b>	<b>548,228</b>	<b>431,068</b>	<b>(292,750)</b>	<b>(499,595)</b>	<b>186,951</b>
<b>Orchard Homes restricted reserves</b>					
Restricted reserves	735,288	1	-	(27,795)	707,494
<b>Consolidated total for the year at year end</b>	<b>1,283,516</b>	<b>431,069</b>	<b>(292,750)</b>	<b>(527,390)</b>	<b>894,445</b>
<b>Consolidated total for the year at year end</b>	<b>805,621</b>	<b>432,370</b>	<b>(351,748)</b>	<b>397,273</b>	<b>1,283,516</b>

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 March 2013

### 16. RESTRICTED FUNDS *(continued)*

#### EXPENDITURE

	Direct grants payable £	Charitable expenditure £	Total expenditure £
<b>Grants</b>			
Relief in Need Charity	100,598	45,150	145,748
Relief in Sickness Charity	27,608	10,000	37,608
Bristol Guild of the Handicapped Trust	16,108	6,000	22,108
Bagshaw Birkin	200	188	388
Furber Ministers' Fund	700	-	700
Hooks Mills Educational Foundation	2,850	140	2,990
Richard Hughes Charity	150	-	150
Richard Hughes Educational Charity	-	-	-
Barry T Jones Fund	10,500	600	11,100
Miss E M Merchant Trust	1,650	750	2,400
Dr Owen's Charity	63,452	1,750	65,202
Soldiers Corner, Arnos Vale	87	10	97
Rev Dr T White's Essex Estates	1,138	875	2,013
Rev Dr T White's Grays Inn Lane Trust	673	875	1,548
Westbury-on-Trym Consolidated Fund	600	50	650
Reginald Williams Memorial Fund	48	-	48
	<hr/>	<hr/>	<hr/>
Total - year to 31 March 2013	226,362	66,388	292,750
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total - year to 31 March 2012	250,362	66,200	316,562
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Grants and donations to institutions of £1,000 or more</b>			£
<b>Paid from Hooks Mills Educational Foundation</b>			
Bristol Diocese			1,500
<b>Paid from Dr Owen's Charity</b>			
Bristol Grammar School			63,452
<b>Paid from Dr Rev T White's Essex Estates</b>			
Bristol City Council			1,138
<b>Paid from Barry T Jones Fund</b>			
Bristol Grammar School			5,900
Clifton High School			2,000
Clifton High School			2,600
			<hr/>
			76,590
			<hr/> <hr/>

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 March 2013

### 16. RESTRICTED FUNDS *(continued)*

#### INCOMING RESOURCES

	Donations and legacies £	Investment income £	Interest receivable £	Other income £	Total income £
<b><i>Grant-giving charities</i></b>					
Relief in Need Charity	20	216,445	91	-	216,556
Relief in Sickness Charity	-	42,119	-	-	42,119
Bristol Guild of the Handicapped Trust	412	49,054	494	-	49,960
Bagshaw Birkin	1,511	906	-	-	2,417
Furber Ministers' Fund	-	792	2	-	794
Hooks Mills Educational Foundation	-	2,921	58	-	2,979
Richard Hughes Charity	-	82	-	-	82
Richard Hughes Educational Charity	-	94	-	-	94
Barry T Jones Fund	-	15,864	42	122	16,028
Miss E M Merchant Trust	-	14,811	96	-	14,907
Dr Owen's Charity	-	77,893	-	-	77,893
Soldiers Corner, Arnos Vale Cemetery	-	118	-	-	118
Rev Dr T White's Essex Estates	-	2,013	-	-	2,013
Rev Dr T White's Grays Inn Lane Trust	-	1,547	-	-	1,547
Westbury-on-Trym Consolidated Fund	-	769	1	-	770
Reginald Williams Memorial Fund	-	72	-	-	72
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b><i>Other restricted funds</i></b>	1,943	425,500	784	122	428,349
Stokes Croft Almshouse Charity	-	138	2,580	-	2,718
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total - year to 31 March 2013	1,943	425,638	3,364	122	431,067
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total - year to 31 March 2012	20	427,087	3,403	1,860	432,370
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 March 2013

### 17. UNRESTRICTED FUNDS

CONSOLIDATED	Balance at 1 April 2012 £	Total income £	Total expenditure £	Gains/(losses) and transfers £	Balance at 31 March 2013 £
<b>Designated reserves</b>					
New Barstaple (a)	1,678,877	-	-	(310,225)	1,368,652
<b>General unrestricted funds</b>	2,795,145	969,941	(1,078,875)	252,978	2,939,189
<b>Total unrestricted reserves</b>	4,474,022	969,941	(1,078,875)	(57,247)	4,307,841

(a) Funds were designated towards the development of the new John Foster's Almshouse from the accumulated operating surpluses which have arisen within Orchard Homes; however, as this was completed in 2010/11, these have now been converted to designated funds for the development of the new Barstaple Almshouse at Brentry.

### CHARITY

<b>General unrestricted funds</b>	929,522	269,786	(615,922)	176,732	760,118
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### 18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

CONSOLIDATED	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Fund balances at 31 March 2013 are represented by:				
Housing properties	-	-	6,697,689	6,697,689
Tangible fixed assets	416,464	-	-	416,464
Fixed asset investments	-	707,494	14,113,171	14,820,665
Current assets	4,312,709	186,951	1,119,896	5,619,556
Current liabilities	(421,332)	-	(363,414)	(784,746)
<b>Total net assets</b>	4,307,841	894,445	21,567,342	26,769,628
<b>CHARITY</b>				
Fund balances at 31 March 2013 are represented by:				
Housing properties	-	-	-	-
Tangible fixed assets	411,494	-	-	411,494
Fixed asset investments	-	-	11,856,156	11,856,156
Current assets	1,330,942	186,952	-	1,517,894
Current liabilities	(982,318)	-	-	(982,318)
<b>Total net assets</b>	760,118	186,952	11,856,156	12,803,226

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 March 2013

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### 19. PENSIONS

#### **Scottish Voluntary Sector Pension Scheme**

Bristol Charities participates in the Scottish Voluntary Sector Pension Scheme. The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and was contracted out of the state scheme until 31 March 2010, when the Scheme was closed to future accrual.

The Scheme operated a single benefit structure, final salary with a 1/60<sup>th</sup> accrual rate until 30 September 2007. From October 2007 there were two benefit structures available, final salary with a 1/60<sup>th</sup> accrual rate and final salary with a 1/80<sup>th</sup> accrual rate, until the date of Scheme closure on 31 March 2010.

The Scheme closed to future accrual on 31 March 2010. There is currently no intention to wind up the Scottish Voluntary Sector Pension Scheme and it continues in paid-up form.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the scheme is a multi-employer scheme where the scheme assets are co-mingled for investment purposes and benefits are paid from total scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2011, by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at 30 September 2011 was £66.2 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £28.8 million (equivalent to a past service funding level of 69.7%).

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	<i>% pa</i>
Rate of return pre-retirement	5.8
Rate of return post-retirement	4.0
Rate of salary increases	4.4
Rate of pension increases pre-5 April 2005	2.4
Rate of pension increases post-5 April 2005	1.9
Rate of price inflation (CPI)	2.4

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

From 1 April 2013 a new recovery plan came into effect, following the finalisation of the 2011 valuation. Confirmation of the contributions payable from 1 April 2013 to 31 March 2014 were advised to employers in a letter in December 2012.

Bristol Charities contribution payable for 1 April 2013 to 31 March 2014 is £28,608. This will increase 3% a year from 1 April, until the next revaluation.

If the assumptions are borne out in practice, this pattern of contributions should be sufficient to eliminate the entire funding shortfall, by 31 March 2028.

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS (*continued*) for the year ended 31 March 2013

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### 19. PENSIONS (*continued*)

A copy of the recovery plan must be sent to the Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and / or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan).

The recovery plan from the 2011 valuation has been submitted to The Pensions Regulator and a response is awaited.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer becoming insolvent or ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

#### **Growth Plan**

Bristol Charities also participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by purchase of an annuity.

The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 March 2013

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### 19. PENSIONS *(continued)*

The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer pays the whole of them.

Bristol Charities paid contributions at the rate of 10% for two members of staff (whose contributions previously went into the defined benefit scheme). These two members paid contributions at the rate of 0% during the accounting period. Bristol Charities also paid contributions at the rate of 5% for two other members of staff (who joined after the closure of the defined benefit scheme). These two members paid contributions at the rate of 5% during the accounting period.

As at the balance sheet date there were four active members of the Plan employed by Bristol Charities. Bristol Charities has closed the Plan to new entrants.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The valuation results at 30 September 2011 were completed in 2012 and have been formalised. The valuation of the Plan was performed by a professionally qualified actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £928 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%.

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	% pa
Rate of return pre-retirement	4.9
Rate of return post-retirement:	
Active/deferred	4.2
Pensioners	4.2
Bonuses on accrued benefits	0.0
Inflation: Retail Prices Index (RPI)	2.9
Inflation: Retail Prices Index (RPI)	2.4

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; as such there is a 60% expectation that it will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

The Scheme actuary has prepared a funding position update as at 30 September 2012. The market value of the Plan's assets at that date was £790 million and the Plan's Technical Provisions (i.e. past service liabilities) was £984 million. The update, therefore, revealed a shortfall of assets compared with the value of liabilities of £194 million, equivalent to a funding level of 80%.

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence the impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 March 2013

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### 19. PENSIONS *(continued)*

plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to The Pensions Regulator on 2 October 2012, as is required by legislation.

Following a change in legislation in September 2005 there is a potential debit on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed the assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including the total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). The calculation basis that applies to the Growth Plan was amended due to a change in the definition of money purchase contained in the Pensions Act 2011 but the regulations that will determine exactly how the change will apply in practice are still awaited. As the law stands, it is not clear whether the statutory calculation should include or exclude Series 3 liabilities. However, based upon current advice, the most likely interpretation is that Series 3 liabilities will have to be included in the calculation of employer's debt on withdrawal.

Owing to this situation, we have included two figures/calculations, namely:

- The cost of withdrawal if we include Series 3 liabilities in the calculation, £101,479.
- The cost of withdrawal if we exclude Series 3 liabilities from the calculation, £65,335.

If an employer withdraws from the Growth Plan prior to the implementation of the regulations, the debt will be calculated on both bases and we would request payment of the higher amount with any adjustment being made when the regulations are implemented.

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 March 2013

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### 20. BRISTOL CHARITIES COMMON POOLED INVESTMENT FUND

#### (a) Income account (return)

	2013 £	2012 £
Gross income:		
Managed portfolios	353,115	322,304
Income from investment in property	213,566	257,289
Interest on cash deposits	1,322	42
	<hr/>	<hr/>
	568,003	579,635
Charges:		
Property expenses	(13,936)	(31,693)
Bristol Charities	(20,000)	(10,000)
	<hr/>	<hr/>
	534,067	537,942
Final distribution	(534,067)	(537,942)
	<hr/>	<hr/>
Distribution pence per unit	18.37	18.48
	<hr/>	<hr/>

#### (b) Balance sheet

	2013 £	2012 £
Managed portfolios at market value	12,312,603	10,842,010
Investment in property at market value	2,503,582	3,159,721
Cash and interest-bearing deposits	2,327	47,476
	<hr/>	<hr/>
Net investment fund	14,818,512	14,049,207
	<hr/>	<hr/>

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 March 2013

### 20. BRISTOL CHARITIES COMMON POOLED INVESTMENT FUND *(continued)*

#### (c) Statement of movement in net assets

	Managed portfolios £	Investment in property £	Cash £	Total 2013 £	Total 2012 £
<b>Net assets at start of year</b>	10,842,010	3,159,721	47,476	14,049,207	14,212,405
<b>Movements due to sales and purchases of units</b>					
Funds received on creation of units	-	-	69,979	69,979	3,458
Funds paid out on sale of units	-	-	(88,477)	(88,477)	-
	<u>10,842,010</u>	<u>3,159,721</u>	<u>28,978</u>	<u>14,030,709</u>	<u>14,215,863</u>
<b>Investment (losses) / gains for the year</b>					
Realised gains on investments sold during the year	382,467	-	3,353	385,820	144,740
Disposal of investment property	-	(550,000)	528,714	(21,286)	(482)
Cash invested in Managed Portfolio:	558,818	-	(558,818)	-	-
Valuation (losses) / gains for the year	581,449	(106,139)	100	475,410	(258,648)
Portfolio Manager charges	(52,141)	-	-	(52,141)	(52,266)
	<u>1,470,593</u>	<u>(656,139)</u>	<u>(26,651)</u>	<u>787,803</u>	<u>(166,656)</u>
<b>Net assets at end of year</b>	<u>12,312,603</u>	<u>2,503,582</u>	<u>2,327</u>	<u>14,818,512</u>	<u>14,049,207</u>
Investment in property comprises:				2013	2012
				£	£
810,886 Charity Property Fund Units sold 28 March 2013 (proceeds due)				768,802	774,721
Investment properties				1,734,780	2,385,000
				<u>2,503,582</u>	<u>3,159,721</u>

A desk-top valuation of investment properties as at 31 March 2013 has been completed by Jones Lang LaSalle and is incorporated in these accounts.

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS (*continued*) for the year ended 31 March 2013

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### 21. RELIEF IN NEED AND RELIEF IN SICKNESS CHARITIES

In 2001, the following charities were merged, with Charity Commission approval, within the Relief in Need and Relief in Sickness Charities. The two relevant schemes were dated 23 April 2001. This was to assist with the administration of those particular groups of grant-giving objects, but Trustees will continue to ensure that, through the website and through the Bristol Charities' booklet, the identities of the benefactors are remembered.

If a future benefactor elects to found a separate charity, with particular objects, this can be arranged, with Bristol Charities acting as trustee. The assets of such charities will be permanent endowment.

#### **Relief in Need**

John Colston Barrow  
William Barrow  
Mary Beck (including the augmentation of her daughter Elizabeth Ash)  
Thomas Bonville for Poor Housekeepers  
Thomas Bonville for Poor Residents  
The Bristol Migration  
Humphrey Brown for the Poor of the Parish of Iron Acton  
Humphrey Brown for the Poor of the Parish of Westbury-on-Trym  
Mrs Mary Castle  
Alice Cole for Poor Householders  
Alice Cole for the Poor of the Parish of St James  
Margaret Edgar  
Sir Abraham Elton  
Francis Fuller  
Edith Louisa Garlick  
Thomas Girling  
Samuel Gist  
The Grove House  
Guardian House  
Dame Sarah Haberfield  
William Emmett Habgood  
George Harrington  
Thomas Holbyn  
Alderman Joseph Jackson  
Alderman Robert Kitchen  
Edmund Lane  
Leir Fund  
Miss Elizabeth Ludlow  
Miss Hannah Ludlow  
Miss Ellen Marriott  
Miss Hannah Marriott  
Merchant Tailors  
Mary Ann Peloquin for Poor Freemen  
Mary Ann Peloquin for Poor Lying-In-Women  
Mary Ann Peloquin for the Poor of St Stephen's  
Edward Phillips  
Augustus Phillips  
Red Lodge Reformatory  
Richard Reynolds  
Richard Reynolds II  
Sarah Ridley Pension

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 March 2013

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### 21. RELIEF IN NEED AND RELIEF IN SICKNESS CHARITIES *(continued)*

#### **Relief in Need *(continued)***

The Sailors' College Pension  
Sion Hospital (Bristol)  
Shirehampton Temperance  
Mrs Ann Thurston  
Webb's Home  
Dr Thomas White for Marriage Portions  
Alderman John Whitson for Poor Women in Childbed  
Whitson's Lying-In-Charity  
Alderman John Whitson for Poor Householders  
Alderman John Whitson for Poor Widows  
Henry Herbert Wills  
L E & J Yeadon

#### **Relief in Sickness**

Bristol Dispensary and Relief in Sickness Charity  
Bristol and District Nursing Association  
Bristol Female Misericordia Society  
Bristol Medical Missionary Society  
Bristol Relief in Sickness and Nurses Charity  
Clifton Dispensary  
John Merlott for the Blind

### 22. PRINCIPAL SUBSIDIARIES

Bristol Charities has two principal subsidiaries which have been consolidated into the group financial statements. These are Orchard Homes and William Jones's Almshouse Charity.

Orchard Homes is a registered social landlord and also a registered charity. Orchard Homes is a provider of almshouse accommodation for older people. Orchard Homes operates solely in the UK.

Orchard Homes is unincorporated and has no share capital. It is included on the basis of a uniting direction issued by the Charities Commission dated 20 May 2005. Orchard Homes is included along with all the other charities detailed in note 21 as it is under the control of Bristol Charities.

The William Jones's Almshouse Charity is a registered charity and a provider of almshouse accommodation for older people. It is consolidated as it is under the control of Bristol Charities, as Bristol Charities is its sole trustee.

### 23. ULTIMATE CONTROLLING PARTIES

Ultimate control over the entity is held by the Trustees of Bristol Charities, as listed on page 1, "Trustees, Officers and Advisers".

# Bristol Charities

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 March 2013

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### 24. RELATED PARTY TRANSACTIONS

Bristol Charities provided Orchard Homes with administrative services and charged Orchard Homes £163,760 (2012: £132,900) in respect of the charity's share of the total administrative costs.

Bristol Charities provided William Jones's Almshouse Charity with services in respect of the management of the almshouse construction project, and charged William Jones's Almshouse Charity £45,000 for these services.

Bristol Charities made a loan to William Jones's Almshouse Charity for £650,000, on which interest was charged at 2.73% above the Bank of England base-rate.

The amounts due from Bristol Charities to Orchard Homes as at 31 March 2013 amounted to £443,932 (2012: £55,858). This includes £406,692 which was lent to Bristol Charities by Orchard Homes, to be lent by them to William Jones's Almshouse Charity. This amount is payable on demand.

The amount owed from Orchard Homes to Bristol Charities as at 31 March 2013 was nil (2012: £nil).

Bristol Charities paid various expenses on behalf of William Jones's Almshouse Charity, which are included within the inter-company account debtor balance.

No Trustees received any expenses or remuneration in the year.