

The Panacea Charitable Trust

REPORT AND FINANCIAL STATEMENTS

31 December 2012

The Panacea Charitable Trust

31 December 2012

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The Panacea Charitable Trust

TRUSTEES, OFFICERS AND ADVISERS

TRUSTEES

Rev Canon Dr. J Shaw

Mr L Aston*

Mr G Allan

Rev. Professor Christopher Rowland

Dr Justin James Meggitt

Mr C N Monsell **

* Mr L Aston's term of office ended on 31 December 2012, and he did not offer himself for re-election.

** Mr C N Monsell was appointed on 23 May 2013

EXECUTIVE OFFICER

Mr D McLynn ACMA

PRINCIPAL OFFICE

14/16 Albany Road, Bedford, Bedfordshire, MK40 3PH

CHARITY NUMBER: 227530

AUDITOR

Baker Tilly UK Audit LLP, The Pinnacle, 170 Midsummer Boulevard, Milton Keynes, Bucks, MK9 1BP

BANKERS

National Westminster Bank plc, 81 High Street, Bedford, Bedfordshire, MK40 1NE

SOLICITORS

Sloan Plumb Wood LLP, Apollo House, Isis Way, Minerva Business Park, Lynch Wood, Peterborough, PE2 6QR

INVESTMENT MANAGERS

BlackRock Investment Management (UK) Limited, 12 Throgmorton Avenue, London, EC2N 2DL

PROPERTY MANAGERS

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

The Panacea Charitable Trust

TRUSTEES' REPORT

Structure, Governance and Management

Background

The charity was originally linked with religious community, the Panacea Society, which thrived in Bedford between the First and Second World Wars. From that period the Society witnessed a steady decline in the number of active members. In recognition of the demise of that community within the last decade, on the 10th February 2012 the charity changed its name from The Panacea Society to The Panacea Charitable Trust.

Over the years members of the Panacea Society donated money and property to the charity to further the life of the community and its religious aims. Today the charity's income is derived primarily from its property and other investments.

The principal aim of the charity is to encourage the study of the Christian religion with particular emphasis on the teachings of Joanna Southcott and other prophets of the Visitation. It achieves this aim by funding academic research and the sponsoring, publishing and distribution of publications. In addition to this work, in August 2012 the charity opened a Museum of the history of the Visitation in one of its functional properties. Alongside this work, the charity also supports recognised local organisations dealing with the relief of sickness within the Bedford area.

Constitution

The charity was established as a Charitable Trust by a declaration of trust dated 24th July 1926, which was registered with the Charity Commissioners of England & Wales on 7th September 1926. The registered number of the charity is 227530.

Working with the Charity Commission, in 2001 the trustees arranged for the modernisation of the objects under a cy-pres scheme. A further modernisation of the governance of the charity took place in 2007. A new governing document was approved by the trustees on 27 February 2007 and was sealed by the Charity Commission on 20 March 2007, replacing the 1926 trust deed and 2001 scheme. The Commission approved a further scheme in February 2012 to change the name of the charity, as noted above.

Recruitment and appointment of new trustees

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

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

Induction and training of new trustees

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

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

Organisational structure and decision making

The charity's trustees are responsible for overall direction and policy-making, meeting between three and six times per year. The trustees approve all investment decisions, grants, and sets the broad strategy and areas of activity for the charity. The Executive Officer has day-to-day responsibility for the management of the charity, including liaison with grantees, staff management, investment and financial administration, and all office functions. The Executive Officer reports to the trustees formally at trustee meetings, and informally through telephone and email as and when necessary.

The Panacea Charitable Trust

TRUSTEES' REPORT

Major Risks

The trustees have considered the major strategic, business and operational risks which the charity faces, and consider that it has minimal exposure to them. Accounting systems and controls are in place managed by the Executive Officer. A formal risk register has been established, and is reviewed annually.

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

Public Benefit

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

Objectives and Activities

Objects

The objects of the charity are:

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

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

Aims

The basis of the aims of the charity are as follows:

1. Education of the public in the history, theology, and practices of The Panacea Society, its antecedents, and analogous groups;
2. To promote women's ministry;
3. To support the work of registered charities and recognised groups working in the fields of poverty and health.

Main objectives for the year

The charity set the following as main objectives for the year:

1. To continue the work of developing the Bedford Project* as the focal point of the charity.
2. To further develop the awareness of the religious aspect of the charity including its healing ministry, through academic research and writing.
3. To enhance the awareness of the work of the charity within the local community.
4. To encourage Religious Education with a particular regard to the ideas of Joanna Southcott and the Visitation.

Strategies for achieving objectives

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

1. The restoration and bringing back into permanent use key functional buildings within the Bedford Project*
2. Making use of digital imaging and database software to document the charity's unique collection of archival material.
3. Maintain and enhance the charity's website www.panacea-society.org as a communication tool to third parties, thereby explaining both the background and present work of the charity.
4. Develop a wider network of academics, institutions, and interest groups that will generate awareness of the charity's research funding initiatives.
5. Establish relationships with key local grant-funding organisations in order to more effectively administer and distribute a part of the charity's annual grant budget.

The Panacea Charitable Trust

TRUSTEES' REPORT

Strategies for achieving objectives (continued)

* The Bedford Project comprises two key elements:

1. The charity's archive collection

To support research and study into the religious beliefs under which the Panacea Society was originally founded, it was decided in 2001 to establish a usable archive of original documentary material held by the charity that is to be made available for study. This archive comprises three elements: (i) 19th Century manuscript writings and correspondence formerly belonging to believers in Joanna Southcott's mission and now in the possession of the charity; (ii) the Panacea Society's own correspondence files, internal memoranda, and founding members personal papers (essentially 20th C. material), held by the charity; (iii) The charity's collection of printed books and pamphlets on prophecy and the visitation (19th & 20th C. material). The scholars working under grants awarded by the charity make extensive use of all three sources within the course of their research. Work continued in 2008 with the help of a part time research assistant seconded from the Prophecy Project in collating, documenting, and restoring this unique collection of material for the use of future historians and theologians.

2. Restoration and development of functional properties

In 2008 the charity commenced work on the refurbishment of the largest property in its portfolio, 9 Newnham Road, Bedford, known as Castleside. The original member trustees of the charity acquired this property in 1930 as a residence and meeting place for the bishops. The refurbishment was complete by the end of 2011, and the property was set up as a permanent exhibition of the Visitation, displaying a broad range of artefacts and information on the history and work of the constituent groups. As a precursor to this project, restoration work on the founders' house was completed in late 2005. That house is now used to explain the history and development of the Panacea Society during the inter-war years, in particular its founder and leader Mabel Barltrop.

Significant activities

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

Applying these criteria during the year the trustees approved the following direct charitable expenditure:

1. £301,807 for the Bedford Project. Expenditure under headings 1-3 of the aims above, including maintaining the charity's functional properties, chapel and gardens, together with the costs of developing its unique archive and library collection of books, manuscript writings, correspondence files, and other historic documents relating to the history and work of the Panacea Society for current and future study and research purposes.
2. £74,664 to Cambridge University. To fund the second year of a research project, *Spiritual Healing in a Modern Context*, which extends understanding about the ways spiritual healing was and is understood by sections of society.
3. £75,000 to Goldsmiths College. To fund a research project looking at the theology of Jacob Boehme and Jane Lead.
4. £50,000 to Bedfordshire & Luton Community Foundation. To create a fund that will be directed towards supporting organisations and groups whose work covers health and social work within the local community.

The Panacea Charitable Trust

TRUSTEES' REPORT

Achievements and performance

Review of charitable activities

The charity has two main strands of charitable activity: i. the restoration and bringing back into use of the functional buildings that have formed the historic and cultural core of the Panacea Society for over 80 years (the Bedford Project), ii. the grant making activities which commenced in 2001 and now form a significant element of the charity's work.

The trustees' primary focus remains the Bedford Project, developing the charity's archive material including its unique collection of Joanna Southcott related manuscripts, books, and artefacts. A part of the Bedford project is the substantial refurbishment and development of Castleside into a Museum of the history of the Panacea Society and its antecedents ("the Visitation").

Investment Performance

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

The charity's investment portfolio mirrored the broader market trends during the year. Investment properties, accounting for approximately a third of the charity's investments by value, were professionally revalued for the 2012 accounts, the exercise increasing the portfolio value by £924,500 (16%) over the 2011 figure. Annual rental income derived from these properties was in line with that achieved in 2011, reflecting the strong appeal of the charity's rental property portfolio and minimal void periods and tenant changes. Individual rentals achieved reflect current market levels, as advised by the charity's managing agents.

The charity's financial investments partially reversed the significant fall in value recorded in 2011, although still stand somewhat below the peak valuation achieved in 2007. Overall income derived from those investments was deemed satisfactory in the year.

The trustees remain satisfied with the work of the charity's property managers and investment managers in managing the charity's assets.

Financial Review

Reserves Policy

The trustees continue to keep the charity's reserves policy under review, and aim to distribute up to 100% of net income after all expenses and investment allocations for the current year and thereafter. All reserves held as at 1 January 2001 were transferred to a Foundation Fund to be utilised at the discretion of the trustees for future projects or charitable payments and to cover any unexpected expenditure. The trustees have reserved the right to recoup amounts that have been transferred from the Foundation Fund to cover excess distributions from the General Fund.

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

Investment Policy

The trustees have considered the most appropriate investment policy for investing funds and have found that specialised unit trusts, designed for the charity sector, meet their requirements to generate both income and long-term capital growth. The investments are expected to realise a long term average income return of 4-5% which the trustees consider to be satisfactory in the current economic climate.

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

The Panacea Charitable Trust

TRUSTEES' REPORT

Plans for Future Periods

The policy of the charity remains the education of the public in specific aspects of the Christian Religion, by raising awareness and understanding of the religious beliefs and practices of the Panacea Society and its founder Mabel Barltrop and the earlier latter day English Prophets, in particular Joanna Southcott. The trustees are actively exploring ideas and opportunities that enable the charity to implement this core objective, whilst they continue the work of developing the charity within the framework of its wider objects. Following the death of the last Community member during 2012, the trustees plan to hold strategy meetings in 2013 in order to further develop their vision for the future of the charity.

Notwithstanding the above, the trustees expect to be able to continue applying a proportion of the charity's income towards the work of recognised local health and social care related organisations, insofar as available funding permits.

Auditor

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

Baker Tilly UK Audit LLP was reappointed as the charity's auditor in the year, and has indicated its willingness to continue in office.

On behalf of the trustees

Gordon Allan Trustee 5 September 2013

The Panacea Charitable Trust

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

The trustees are responsible for the maintenance and integrity of the charity, and the financial information included on the charity's website.

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

We have audited the financial statements of The Panacea Charitable Trust for the year ended 31 December 2012 on pages 9 to 20. 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 charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees 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 Statement of Trustees' responsibilities set out on page 7 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2012 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

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

- the information given in the Trustees' Report is not consistent with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

BAKER TILLY UK AUDIT LLP
Statutory Auditor
Chartered Accountants
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
Bucks
MK9 1BP

The Panacea Charitable Trust

STATEMENT OF FINANCIAL ACTIVITIES, INCORPORATING THE INCOME & EXPENDITURE ACCOUNT

for the year ended 31 December 2012

	Notes	Unrestricted General Fund 2012 £	Unrestricted Foundation Fund 2012 £	Total Funds 2012 £	Total Funds 2011 £
Incoming resources					
Incoming resources from generated funds:					
Voluntary Income	1	35	-	35	170
Investment income	2	773,112	-	773,112	713,354
Other incoming resources		64	-	64	479
Total incoming resources		<u>773,211</u>	<u>-</u>	<u>773,211</u>	<u>714,003</u>
Resources expended					
Costs of generating funds:					
Investment management costs	4	181,766	-	181,766	179,041
Charitable activities	5,6,7	537,247	-	537,247	401,512
Governance costs	8	34,238	-	34,238	29,524
Total resources expended		<u>753,251</u>	<u>-</u>	<u>753,231</u>	<u>610,077</u>
Net incoming resources before transfers		<u>19,960</u>	<u>-</u>	<u>19,960</u>	<u>103,926</u>
Net incoming resources before recognised gains and losses		<u>19,960</u>	<u>-</u>	<u>19,960</u>	<u>103,926</u>
Other recognised gains and losses:					
Gain/(Loss) on revaluation of investments	12	-	1,837,320	1,837,320	(849,231)
(Loss) on revaluation of Fixed Assets	11	-	(553,007)	(553,007)	-
Net movement in funds		<u>19,960</u>	<u>1,284,313</u>	<u>1,304,273</u>	<u>(745,305)</u>
Balance at 1 January 2012		182,905	23,276,253	23,459,158	24,204,463
Balance at 31 December 2012	16,17	<u>202,865</u>	<u>24,560,566</u>	<u>24,763,431</u>	<u>23,459,158</u>

All of the activities of the charity are classed as continuing.

The Panacea Charitable Trust

BALANCE SHEET Charity Number 227530

31 December 2012

	<i>Notes</i>	2012 £	2011 £
FIXED ASSETS			
Tangible fixed assets	11	3,750,294	4,201,457
Investments	12	20,872,822	19,035,502
		<u>24,623,116</u>	<u>23,236,959</u>
CURRENT ASSETS			
Debtors	13	12,660	36,595
Cash at bank and in hand		250,160	621,144
		<u>262,820</u>	<u>657,739</u>
CREDITORS: Amounts falling due within one year	14	122,505	435,540
NET CURRENT ASSETS		<u>140,315</u>	<u>222,199</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		24,763,431	23,459,158
CREDITORS: Amounts falling due more than one year		-	-
		<u>24,763,431</u>	<u>23,459,158</u>
FUNDS			
Unrestricted funds – general fund	16	202,865	182,905
Unrestricted funds – foundation fund	17	24,560,566	23,276,253
		<u>24,763,431</u>	<u>23,459,158</u>

The financial statements were approved by the trustees and authorised for issue on 5 September 2013 and signed on their behalf by:

..... as Trustee

..... as Trustee

The Panacea Charitable Trust

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with accounting standards. In preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) published in March 2005 and applicable UK Accounting Standards and the Charities Act 2011.

The nature of the charity's activities are such that investment income represents the majority of its incoming resources. Forecasts have been prepared on the basis that this income continues to be forthcoming, as in prior years. However, the Trustees will only issue grants in accordance with the amount of resources available to do so, and therefore they consider it appropriate to prepare the financial statements on the going concern basis.

INCOME RECOGNITION

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

Other income such as donations and legacies is recognised in the Statement of Financial Activities when the conditions for receipt have been met and there is irrevocable assurance of receipt.

APPLICATION OF LEGACIES RECEIVED

All legacies received from past members of the Panacea Society are recognised in the Foundation Fund as they are given for the long-term benefit and future use of the charity.

RESOURCES EXPENDED

Expenditure is included on an accruals basis. The executive officer's salary costs together with all support costs have been apportioned between the cost of generating funds, charitable expenditure and governance costs, on a time apportionment basis.

COSTS OF GENERATING FUNDS

Costs of generating funds comprise those costs directly attributable to managing the investment portfolio and raising investment income.

GRANTS PAYABLE

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

GOVERNANCE COSTS

Governance costs are associated with the governance arrangements of the charity, in particular the activities of the trustees. These costs include audit, legal advice for trustees and costs associated with meeting constitutional and statutory requirements such as the cost of trustee meetings and the preparation of statutory accounts. This category also includes costs associated with the strategic as opposed to the day to day management of the charity's activities.

TANGIBLE FIXED ASSETS

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

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

Furniture and chattels are held at valuation, and are reviewed annually to consider any material changes likely to affect the balance sheet valuation.

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

The Panacea Charitable Trust

ACCOUNTING POLICIES

HERITAGE ASSETS

In addition to the fixed assets noted above, the charity possesses a highly significant and unique collection of manuscripts and documents, artefacts and items of religious significance, along with Joanna Southcott's box. These items have been collected over many years since the inception of the charity. The collection is held by the charity in pursuit of preservation or conservation objectives and accordingly the trustees consider them to be heritage assets, as defined by the SORP 2005. It is the trustees' policy that any costs of conservation are not capitalised, but expensed as incurred. The Trustees are currently taking advice on preservation techniques.

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

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

FIXED ASSET INVESTMENTS

Fixed asset investments comprise those freehold properties which are currently let, certain furniture and chattels, UK listed investments and cash on deposit. All investment properties are maintained with a view to ensuring that total residual values are not less than values at which they are recorded in the accounts of the charity and consequently have not been depreciated.

UK Listed Investments are included at market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

LIABILITIES

Where the charity incurs a liability it is recognised in the accounts in the period in which it occurred. Where it results in a charge for a period in which the accounting date falls, the proportion of the charge to that date is accrued.

CASH FLOW STATEMENT

The charity is exempt from preparing a cash flow statement in accordance with Financial Reporting Standard 1, as it qualifies as small.

The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

1	DONATIONS		2012	2011	
			£	£	
	Tithing and offertories		35	170	
			<u>35</u>	<u>170</u>	
			<u><u>35</u></u>	<u><u>170</u></u>	
2	INVESTMENT INCOME		2012	2011	
			£	£	
	Dividends – UK equities		569,826	510,638	
	Interest on cash deposits		2,837	2,675	
	Rental income		200,449	200,041	
			<u>773,112</u>	<u>713,354</u>	
			<u><u>773,112</u></u>	<u><u>713,354</u></u>	
3	ALLOCATION OF INDIRECT COSTS & OVERHEADS				
		Total	Cost of Generating Funds	Charitable Activities	Governance
	2012	£	£	£	£
	Staff	101,191	52,988	32,135	16,068
	Property	58,996	58,996	-	-
	Office/Other	26,423	4,612	3,641	18,170
		<u>186,610</u>	<u>116,596</u>	<u>35,776</u>	<u>34,238</u>
		<u><u>186,610</u></u>	<u><u>116,596</u></u>	<u><u>35,776</u></u>	<u><u>34,238</u></u>
	2011				
	Staff	98,119	50,905	31,476	15,738
	Property	58,178	58,178	-	-
	Office/Other	25,769	4,906	7,077	13,786
		<u>182,066</u>	<u>113,989</u>	<u>38,553</u>	<u>29,524</u>
		<u><u>182,066</u></u>	<u><u>113,989</u></u>	<u><u>38,553</u></u>	<u><u>29,524</u></u>
4	INVESTMENT MANAGEMENT COSTS		2012	2011	
			£	£	
	Fund management fees		65,170	65,052	
	Investment property management fees		14,772	14,764	
	Investment properties maintenance and refurbishment		33,764	34,639	
	Wages and salaries		52,988	50,905	
	Insurance		9,801	8,730	
	Miscellaneous/Other		5,271	4,951	
			<u>181,766</u>	<u>179,041</u>	
			<u><u>181,766</u></u>	<u><u>179,041</u></u>	

The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

5	CHARITABLE ACTIVITIES	2012	2011
		£	£
	Bedford Project		
	Exhibition	218,355	151,642
	Wages and salaries	21,850	20,126
	Functional Properties - Maintenance and refurbishment	42,410	25,519
	Insurance	4,201	3,741
	Service/Other Costs	<u>14,991</u>	<u>12,361</u>
	Total Bedford Project	301,807	213,389
	Grants & Donations (note 7)		
	Oxford University - Prophecy Project *	-	(97,784)
	Other Universities – Research & Conference Grants	149,664	151,554
	Miscellaneous Scholarship/Educational Grants	-	41,000
	Religious Grants	-	4,800
	Health/Social Grants	<u>50,000</u>	<u>50,000</u>
	Total Grants & Donations	199,664	149,570
	Support Costs (notes 3 & 6)		
	Wages & salaries	32,135	31,476
	Other	<u>3,641</u>	<u>7,077</u>
	Total Support Costs	35,776	38,553
		<u>537,247</u>	<u>401,512</u>

* unclaimed grant for final year and refund of grant monies paid but unused

6	ANALYSIS OF CHARITABLE ACTIVITIES	2012	2012	2012	2011	2011	2011
		£	£	£	£	£	£
		Core Funding	Support Costs	Total	Core Funding	Support Costs	Total
	Bedford Project	301,807	28,621	330,428	213,389	23,132	236,521
	Oxford University – Prophecy Project	-	-	-	(97,784)	3,855	(93,929)
	Other Universities – Research / Conference	149,664	3,578	153,242	151,250	3,855	155,105
	Misc Scholarship / Educational Grants	-	-	-	20,804	1,928	22,732
	Religious Grants	-	-	-	25,300	1,928	27,228
	Health/Social Grants	50,000	3,577	53,577	50,000	3,855	53,855
		<u>501,471</u>	<u>35,776</u>	<u>537,247</u>	<u>362,959</u>	<u>38,553</u>	<u>401,512</u>

The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

7	GRANTS PAYABLE	Paid in the year £	2012 Total £
	Grants committed at 1 January 2012 (net)		(207,399)
	OXFORD UNIVERSITY - PROPHECY PROJECT		
	Unused grant refunded	(21,820)	
	OTHER UNIVERSITIES – RESEARCH / STUDY		
	Kings College London	54,319	
	Goldsmith’s College Hessayon Research Project	75,000	
	Cambridge Watts & Lockhart Research Project	<u>74,664</u>	
		203,983	
	MISC EDUCATIONAL SCHOLARSHIP PROJECTS		
	Gray Research Sponsorship	20,500	
	RELIGIOUS PROJECTS		
	Bunyan Meeting Broomhall	2,400	
	HEALTH/MEDICAL/ PROJECTS		
	Bedford Hospitals Charity	75,000	
	Bedford & Luton Community Foundation	<u>50,000</u>	
		125,000	
	Total paid in the year		330,063
	Future commitments payable: In the year ended 31 December 2013		77,000
			<u>199,664</u>
			<u><u>199,664</u></u>
	 The major recipients for future grants are:	 2013 £	
	OTHER UNIVERSITIES – RESEARCH / STUDY		
	Goldsmiths College	75,000	
	RELIGIOUS PROJECTS		
	Bunyan Meeting (Church Curator)	2,000	
		<u>77,000</u>	
		<u><u>77,000</u></u>	
8	GOVERNANCE COSTS	2012 £	2011 £
	Trustees’ expenses	1,664	1,798
	Audit fees	10,409	10,383
	Wages and salaries	16,068	15,738
	Office costs	6,097	1,605
		<u>34,238</u>	<u>29,524</u>
		<u><u>34,238</u></u>	<u><u>29,524</u></u>

The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

9	EMPLOYEES	2012 No.	2011 No.
	The average weekly number of employees during the year, calculated on a full time equivalent basis, was:		
	Maintenance and refurbishment	1	1
	Administration	3	2
		4	3
		4	3
		2012 £	2011 £
	Staff costs for above persons:		
	Wages and salaries	150,022	136,059
	Social security costs	17,168	15,561
		167,190	151,620
		167,190	151,620
	The number of employees whose emoluments amounted to more than £60,000 in the year were:	No.	No.
	£70,001 to £75,000	1	1
		1	1
		1	1

10 TRUSTEES

Four trustees were reimbursed during the year for expenses of £1,664 (2011: Four, £1,798).

None of the trustees received remuneration during the year.

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The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

11 TANGIBLE FIXED ASSETS

	Functional properties £	Assets in course of const'n £	Furniture, Chattels & Heritage assets £	Office Equipment & Motor Vehicles £	Museum Assets £	Total £
Cost or valuation:						
1 January 2012	1,942,000	2,063,083	168,027	29,052	26,019	4,228,181
Additions	-	15,990	-	-	126,249	142,239
Revaluation	(561,073)	-	8,066	-	-	(553,007)
Transfers	2,079,073	(2,079,073)	-	-	-	-
31 December 2012	<u>3,460,000</u>	<u>-</u>	<u>176,093</u>	<u>29,052</u>	<u>152,268</u>	<u>3,817,413</u>
Depreciation:						
1 January 2012	-	-	-	26,724	-	26,724
Charged in the year	-	-	-	2,328	38,067	40,395
31 December 2012	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,052</u>	<u>38,067</u>	<u>67,119</u>
Net book value						
31 December 2012	<u>3,460,000</u>	<u>-</u>	<u>176,093</u>	<u>-</u>	<u>114,201</u>	<u>3,750,294</u>
31 December 2011	<u>1,942,000</u>	<u>2,063,083</u>	<u>168,027</u>	<u>2,328</u>	<u>26,019</u>	<u>4,201,457</u>

The cost of freehold properties to the charity was £272,535.

The functional properties are included at the valuation provided by Messrs Jones Norris Adams, Chartered Surveyors, in April 2013.

The furniture and chattels are included at the valuation provided by Messrs W&H Peacock Auctioneers and Valuers in May 2013.

Included within furniture, chattels & heritage assets are £13,717 of heritage assets purchased in 2008. There have been no other acquisitions, disposals, revaluations or impairments in the last five accounting periods.

The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

12 INVESTMENTS

	Investment properties £	UK Investments £	Cash on deposit £	Total £
Cost or valuation	5,783,000	13,232,156	20,346	19,035,502
Transfer	-	(55,373)	55,373	-
Gain in the year	924,500	912,820	-	1,837,320
	<u>6,707,500</u>	<u>14,089,603</u>	<u>75,719</u>	<u>20,872,822</u>

The investment properties are included at the valuation provided by Messrs Jones Norris Adams, Chartered Surveyors, in April 2013.

Included in the charity's UK investment portfolio are the following holdings which exceed 5% of the total value of the portfolio

	Market value 2012 £	Market value 2011 £
Charity Income Distribution Unit Trust	2,315,602	2,279,163
Charity Share Distribution Unit Trust	11,774,001	10,952,993
	<u>14,089,603</u>	<u>13,232,156</u>

13 DEBTORS

	2012 £	2011 £
Prepayments and accrued income	12,660	36,595
	<u>12,660</u>	<u>36,595</u>

14 CREDITORS: Amounts falling due within one year

	2012 £	2011 £
Grants payable	77,000	229,219
Accruals	39,959	201,512
Other Tax and Social Security	5,546	4,809
	<u>122,505</u>	<u>435,540</u>

The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
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15	ANALYSIS OF NET ASSETS	General Fund	Foundation Fund	Total
		£	£	£
	Tangible fixed assets	-	3,750,294	3,750,294
	Investments	-	20,872,822	20,872,822
	Net Current Assets/(Liabilities)	202,865	(62,550)	140,315
		<u>202,865</u>	<u>24,560,566</u>	<u>24,763,431</u>

16 GENERAL FUND

	Balance 1 January 2012 £	Incoming £	Outgoing £	Gain/ Loss on Investments £	Balance 31 December 2012 £
General Fund	182,905	773,211	(753,251)	-	202,865
	<u>182,905</u>	<u>773,211</u>	<u>(753,251)</u>	<u>-</u>	<u>202,865</u>

The trustees have agreed with the Charity Commission to distribute approximately 100% of net unrestricted income. The surplus on General Fund will be distributed in future years.

17 FOUNDATION FUND

	Balance 1 January 2012 £	Incoming £	Outgoing £	Gain on Investments & Fixed Assets £	Balance 31 December 2012 £
Foundation Fund	23,276,253	-	-	1,284,313	24,560,566
	<u>23,276,253</u>	<u>-</u>	<u>-</u>	<u>1,284,313</u>	<u>24,560,566</u>

In accordance with recommendations by the Charity Commission, the trustees have established a Foundation Fund incorporating the unspent funds brought forward at 1 January 2001.

The Foundation Fund will be treated as an unrestricted fund. The trustees will be able to make grants from this fund in keeping with the charity's objects and shortfalls arising on the General Fund will be repaid from this fund. All gains and losses will be charged to the Foundation Fund. All legacies will be recognised in the Foundation Fund as they are given for the long term benefit and future use of the charity.

The Panacea Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

18 CAPITAL COMMITMENTS

The charity had capital expenditure contracted for, but not provided in the financial statements, of £nil at the balance sheet date (2011: £97,545).

19 HERITAGE ASSETS

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

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

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