

The Panacea Charitable Trust

REPORT AND FINANCIAL STATEMENTS

31 December 2013

The Panacea Charitable Trust

31 December 2013

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The Panacea Charitable Trust

TRUSTEES, OFFICERS AND ADVISERS

TRUSTEES

Rev Canon Dr. J Shaw*

Mr G Allan

Rev. Professor Christopher Rowland

Dr Justin James Meggitt

Mr C N Monsell **

* Rev Canon Dr J Shaw's term of office ended on 31 December 2013

** 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 (to 18th October 2013)

Rathbones Investment Management, 1 Temple Row, Birmingham, B2 5LG (from 18th October 2013)

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 a 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 support the study of the Christian religion with particular emphasis on the teachings of Joanna Southcott and other prophets of the Visitation. It achieves this aim by funding academic research and 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.

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To facilitate the management of the charity, two sub-committees each comprising trustees and the executive officer have been set up. The admin sub-committee has delegated responsibility for making certain decisions on behalf of the trustees that relate to the administration of the Charity, and where relevant implements specific policies and strategic decisions of the trustees. The Museum & Archives sub-committee is an advisory committee with a remit to consider and make recommendations to the trustees on any issue relating to the charity's museum, archives and artefacts.

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 assessment has been developed.

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

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

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

Strategies for achieving objectives

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

1. The ongoing development and marketing of the charity's museum (the Panacea Museum) to the public, including extending opening hours, and applying for the Arts Council England Museum Accreditation Standard.
2. Develop a wider network of academics, institutions, and interest groups that will generate awareness of the charity's research funding initiatives.
3. Maintain relationships with key local grant-funding organisations in order to more effectively administer and distribute a part of the charity's annual charitable expenditure budget.

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TRUSTEES' REPORT

4. Making use of digital imaging and database software to develop the charity's unique collection of archival material for public use.
5. Maintain and enhance the charity's website www.panaceatrust.org as the primary communication tool to third parties, thereby explaining both the background and present work of the charity.

* 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).

2. The Panacea Museum:

The museum was opened in 2012 in two functional buildings, which together with outbuildings and the gardens are known as the Panacea Campus. 9 Newnham Road is the main museum building, and was acquired by the charity in 1930, at a time when it was an active religious community. 12 Albany Road, the second building, was the home of the founder of the community, Mabel Barltrop, and was acquired by the charity after her death in 1934. Both buildings have been restored, and now form a unique museum complex, providing the visitor information about a broad range prophetic and millenarian movements, including 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. Under aim 1.2 above, £168,224 for the Bedford Project. Expenditure, including developing the charity's museum complex (museum, founders house, 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. Under aim 1.1 above, £75,000 to fund a Research Project in the area of biblical interpretation, the research to cover any of the writings of one or more leaders of the Southcottian inspired movements up to the present day.
3. Under aim 2 above, £100,000 to Bedfordshire & Luton Community Foundation. To provide a fund that will be directed towards supporting organisations and groups whose work covers health and social work within the local community.
4. Under aims 1.1 and 1.3 above, £15,000 to a research scholar, Ms L Gray, to fund a research project focused on the Visitation in Australia.

Grantmaking Policy

Education/research grants

From time to time research funding is made available by the trustees and applicants are invited to apply for grants to study and research specifically defined topics. The scheme is advertised in the national press, and on the charity's website. Grant awards are made after initial assessment, interview, and review of all applications

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received. In the past the charity also awarded small grants to certain qualifying doctoral scholars upon review of their research proposal. This scheme has now ceased.

Poverty/Sickness grants

The charity's ongoing poverty/sickness grant programme is administered on its behalf by the Bedford and Luton Community Foundation. The Foundation reports on the progress of the scheme to the trustees twice each year.

Volunteers

The charity makes use of a small pool of volunteers for its museum. Volunteers undertake visitor services roles, including reception and room guides.

Achievements and performance

Review of charitable activities

The charity focused on its two main strands of charitable activity:

- the development of the functional buildings that have formed the historic and cultural core of the former Panacea Society for over 80 years as a learning and visitor resource (the Bedford Project). The Panacea museum, first opened in late 2012, forms the major element of this work. In 2013 the charity had over 2000 visitors to its museum complex of two main buildings, outbuildings, and gardens. In order to recognise their long-term commitment to the museum, the charity's trustees agreed in 2013 to apply to for the Arts Council of England Museum Accreditation Standard. It is expected that this will be awarded before the end of 2014.
- grant making activities which commenced in 2001 and now form a significant element of the charity's work. The charity supports a broad range of charities working in the borough of Bedford and the immediate surrounding area. It does this through its partnership with the Bedford and Luton Community Foundation (BCLF). BCLF administers the charity's annual non-academic grant-making programme. In 2013 BCLF awarded grants to the following twelve local organisations to help them with their work. Relate Bedfordshire & Luton, Mayday trust, Fun 4 Young People, Keep Yourself Clean, Beds Garden Carers, Bedford & District Cerebral Palsy Society, Livability, Hope Trust / Bedford Foodbank, FACES Bedford, Bedfordshire Housing Link, Bedfordshire Pilgrims Housing Association, Hospice at Home (Bedford). In addition to this grant the charity additionally approved funding for two research grants, to be awarded in the fields of biblical interpretation and Visitation history.

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, maintain their 2012 capital values. Annual rental income derived from these properties was 7% higher than achieved in 2012, 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 reflected the strong performance of the market as a whole, showing a 14% increase in the year. Overall income derived from those investments, was deemed satisfactory in the year.

In July 2013 after a review of the Investment Management Agreement between the Charity and Blackrock, it was mutually agreed to terminate the Agreement. Thereafter the Charity undertook a review of its requirements going forward and which firms would be best placed to meet them. In October 2013, on the recommendation of the admin sub-committee, the trustees appointed Rathbones as investment managers to the Charity. The trustees remain satisfied with the work of the charity's property managers in managing the charity's property assets.

The Panacea Charitable Trust

TRUSTEES' REPORT

Financial Review

Income and Expenditure

Total incoming resources for the year were £533,752 (2012: £773,211), and total resources expended were £621,061 (2012: £753,231), leaving net resources expended of £87,309 (2012: £19,960 net income surplus). The net increase in funds after revaluation of investments was £1,975,641 (2012: £1,304,273).

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

Whilst the charity's investment funds were managed by Blackrock, the trustees considered the most appropriate investment policy for those investments were specialised unit trusts, designed for the charity sector and meeting their requirement to generate both income and long-term capital growth. The investments were expected to realise a long term average income return of 4-5% which the trustees considered to be satisfactory.

With the appointment of Rathbones in October 2013, the trustees will evaluate and implement an agreed alternative to that policy. A revised investment portfolio is expected to be in place by the end of 2014.

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.

Plans for Future Periods

The Charity plans to review its aims and how it applies its objects. Building on the work it has previously undertaken the Charity plans to further develop how it will support research into and disseminating information to the Public about specific aspects of the Christian Religion. The Charity plans to continue applying part of its funds to the relief of poverty and sickness in the Bedford area through the work of recognised local health and social care related organisations

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 15 August 2014

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. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 2013 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 Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

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 2013 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

2 September 2014

The Panacea Charitable Trust
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2013

	Notes	Unrestricted General Fund 2013 £	Unrestricted Foundation Fund 2013 £	Total Funds 2013 £	Total Funds 2012 £
Incoming resources					
Incoming resources from generated funds:					
Voluntary Income	1	-	-	-	35
Investment income	2	533,021	-	533,021	773,112
Other incoming resources		731	-	731	64
Total incoming resources		<u>533,752</u>	<u>-</u>	<u>533,752</u>	<u>773,211</u>
Resources expended					
Costs of generating funds:					
Investment management costs	4	180,636	-	180,636	181,766
Charitable activities	5,6,7	399,669	-	399,669	537,247
Governance costs	8	40,756	-	40,756	34,238
Total resources expended		<u>621,061</u>	<u>-</u>	<u>621,061</u>	<u>753,231</u>
Net (resources expended) / incoming resources before transfers		<u>(87,309)</u>	<u>-</u>	<u>(87,309)</u>	<u>19,960</u>
Net (resources expended) / incoming resources before recognised gains and losses		<u>(87,309)</u>	<u>-</u>	<u>(87,309)</u>	<u>19,960</u>
Other recognised gains and losses:					
Gain/(Loss) on revaluation of investments	12	-	2,062,950	2,062,950	1,837,320
(Loss) on revaluation of Fixed Assets	11	-	-	-	(553,007)
Net movement in funds		<u>(87,309)</u>	<u>2,062,950</u>	<u>1,975,641</u>	<u>1,304,273</u>
Balance at 1 January 2013		202,865	24,560,566	24,763,431	23,459,158
Balance at 31 December 2013	16,17	<u>115,556</u>	<u>26,623,516</u>	<u>26,739,072</u>	<u>24,763,431</u>

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

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BALANCE SHEET Charity Number 227530
 31 December 2013

	<i>Notes</i>	2013 £	2012 £
FIXED ASSETS			
Tangible fixed assets	11	3,405,776	3,750,294
Investments	12	23,109,908	20,872,822
		<u>26,515,684</u>	<u>24,623,116</u>
CURRENT ASSETS			
Debtors	13	23,934	12,660
Cash at bank and in hand		313,818	250,160
		<u>337,752</u>	<u>262,820</u>
CREDITORS: Amounts falling due within one year	14	114,364	122,505
NET CURRENT ASSETS		<u>223,388</u>	<u>140,315</u>
NET ASSETS		<u>26,739,072</u>	<u>24,763,431</u>
FUNDS			
Unrestricted funds – general fund	16	115,556	202,865
Unrestricted funds – foundation fund	17	26,623,516	24,560,566
		<u>26,739,072</u>	<u>24,763,431</u>

The notes on pages 11 to 20 form part of these financial statements.
 The financial statements were approved by the trustees and authorised for issue on 15 August 2014 and signed on their behalf by:

..... Gordon Allan, Trustee

..... Charles Nicholas Monsell, 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.

GOING CONCERN

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 once the Charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

APPLICATION OF LEGACIES RECEIVED

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

RESOURCES EXPENDED

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Charity to the expenditure. 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 attached 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. Such assets are not subject to depreciation.

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ACCOUNTING POLICIES

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

HERITAGE ASSETS

In addition to the fixed assets noted above, the charity possesses a highly significant and unique collection of manuscripts and documents, artefacts and items of religious significance, along with Joanna Southcott's box. These items have been collected over many years since the inception of the charity. The collection is held by the charity in pursuit of preservation or conservation objectives and accordingly the trustees consider them to be heritage assets, as defined by the SORP 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.

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 2013

1	DONATIONS		2013	2012	
			£	£	
	Tithing and offertories		-	35	
			<u>-</u>	<u>35</u>	
			<u><u>-</u></u>	<u><u>35</u></u>	
2	INVESTMENT INCOME		2013	2012	
			£	£	
	Dividends – UK equities		317,431	569,826	
	Interest on cash deposits		355	2,837	
	Rental income		215,235	200,449	
			<u>533,021</u>	<u>773,112</u>	
			<u><u>533,021</u></u>	<u><u>773,112</u></u>	
3	ALLOCATION OF INDIRECT COSTS & OVERHEADS				
		Total	Cost of Generating Funds	Charitable Activities	Governance
	2013	£	£	£	£
	Staff	131,114	56,852	56,852	17,410
	Property	69,361	69,361	-	-
	Office/Other	34,751	4,779	6,626	23,346
		<u>235,226</u>	<u>130,992</u>	<u>63,478</u>	<u>40,756</u>
		<u><u>235,226</u></u>	<u><u>130,992</u></u>	<u><u>63,478</u></u>	<u><u>40,756</u></u>
	2012				
	Staff	123,041	52,988	53,985	16,068
	Property	58,996	58,996	-	-
	Office/Other	26,423	4,612	3,641	18,170
		<u>208,460</u>	<u>116,596</u>	<u>57,626</u>	<u>34,238</u>
		<u><u>208,460</u></u>	<u><u>116,596</u></u>	<u><u>57,626</u></u>	<u><u>34,238</u></u>
4	INVESTMENT MANAGEMENT COSTS		2013	2012	
			£	£	
	Fund management fees		49,644	65,170	
	Investment properties management fees		16,239	14,772	
	Investment properties maintenance and refurbishment		44,473	33,764	
	Wages and salaries		56,852	52,988	
	Insurance		8,144	9,801	
	Miscellaneous/Other		5,284	5,271	
			<u>180,636</u>	<u>181,766</u>	
			<u><u>180,636</u></u>	<u><u>181,766</u></u>	

The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2013

5	CHARITABLE ACTIVITIES	2013	2012
		£	£
	Bedford Project		
	Exhibition	124,863	218,355
	Wages and salaries	22,033	21,850
	Functional Properties - Maintenance and refurbishment	4,541	42,410
	Insurance	3,490	4,201
	Service/Other Costs	<u>13,298</u>	<u>14,991</u>
	Total Bedford Project	168,224	301,807
	 Grants & Donations (note 7)		
	Other Universities – Research & Conference Grants	75,000	149,664
	Miscellaneous Scholarship/Educational Grants	15,000	-
	Health/Social Grants	<u>100,000</u>	<u>50,000</u>
	Total Grants & Donations	190,000	199,664
	 Support Costs (notes 3 & 6)		
	Wages & salaries	34,819	32,135
	Other	<u>6,626</u>	<u>3,641</u>
	Total Support Costs	41,445	35,776
		<u>399,669</u>	<u>537,247</u>

6	ANALYSIS OF CHARITABLE ACTIVITIES	2013	2013	2013	2012	2012	2012
		£	£	£	£	£	£
		Core Funding	Support Costs	Total	Core Funding	Support Costs	Total
	Bedford Project	168,224	33,156	201,380	301,807	28,621	330,428
	Educational Grants	90,000	4,145	94,145	149,664	3,578	153,242
	Health/Social Grants	100,000	4,144	104,144	50,000	3,577	53,577
		<u>358,224</u>	<u>41,445</u>	<u>399,669</u>	<u>501,471</u>	<u>35,776</u>	<u>537,247</u>

The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2013

7	GRANTS PAYABLE	Paid in the year £	2013 Total £
	Grants committed at 1 January 2013 (net)		(77,000)
	Paid in the year:		
	OTHER UNIVERSITIES – RESEARCH / STUDY		
	Goldsmith’s College (Hessayon Research Project)	75,000	
	MISC EDUCATIONAL SCHOLARSHIP PROJECTS		
	Gray Research Sponsorship	15,000	
	RELIGIOUS PROJECTS		
	Bunyan Meeting Church	2,000	
	HEALTH/MEDICAL/ PROJECTS		
	Bedford & Luton Community Foundation	<u>100,000</u>	
	Total paid in the year		192,000
	Future commitments payable:		
	In the year ending 31 December 2014		75,000
			<u>190,000</u>
	The major recipients for future grants are:		
		2013 £	
	OTHER UNIVERSITIES – RESEARCH / STUDY		
	2013 Research Project	<u>75,000</u>	
8	GOVERNANCE COSTS	2013 £	2012 £
	Trustees’ expenses	1,708	1,664
	Audit fees	11,188	10,409
	Wages and salaries	17,410	16,068
	Office costs	10,450	6,097
		<u>40,756</u>	<u>34,238</u>
9	EMPLOYEES	2013 No.	2012 No.
	The average weekly number of employees during the year, calculated on a full time equivalent basis, was:		
	Maintenance and refurbishment	1	1
	Administration	4	3
	Museum & Archives Assistants	1	-
		<u>6</u>	<u>4</u>

The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2013

9 EMPLOYEES (continued)

	2013	2012
	£	£
Staff costs for above persons:		
Wages and salaries	160,270	150,022
Social security costs	15,975	17,168
	<u>176,244</u>	<u>167,190</u>
	<u><u> </u></u>	<u><u> </u></u>
 The number of employees whose emoluments amounted to more than £60,000 in the year were:	 No.	 No.
£70,001 to £75,000	-	1
£75,001 to £80,000	1	-
	<u><u> </u></u>	<u><u> </u></u>

10 RELATED PARTY TRANSACTIONS AND TRUSTEES' REMUNERATION

Four trustees were reimbursed during the year for expenses of £1,708 (2012: Four, £1,664).

None of the trustees received remuneration during the year (2012:nil).

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The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2013

11 TANGIBLE FIXED ASSETS

	Functional Properties £	Furniture, Chattels & Heritage Assets £	Office Equipment & Motor Vehicles £	Museum Assets £	Total £
Cost or valuation:					
1 January 2013	3,460,000	176,093	29,052	152,268	3,817,413
Additions	-	-	11,400	-	11,400
Transfer	(315,000)	-	-	-	(315,000)
31 December 2013	<u>3,145,000</u>	<u>176,093</u>	<u>40,452</u>	<u>152,268</u>	<u>3,513,813</u>
Depreciation:					
1 January 2013	-	-	29,052	38,067	67,119
Charged in the year	-	-	2,850	38,068	40,918
31 December 2013	<u>-</u>	<u>-</u>	<u>31,902</u>	<u>76,135</u>	<u>108,037</u>
Net book value					
31 December 2013	<u>3,145,000</u>	<u>176,093</u>	<u>8,550</u>	<u>76,133</u>	<u>3,405,776</u>
31 December 2012	<u>3,460,000</u>	<u>176,093</u>	<u>-</u>	<u>114,201</u>	<u>3,750,294</u>

The functional properties are included at the valuation provided by Messrs Jones Norris Adams, Chartered Surveyors, in April 2013. One property has been transferred from Tangible Fixed Assets to Investments in the year. The cost of these properties to the charity was £272,535.

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 of heritage assets in the last five accounting periods.

The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
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12 INVESTMENTS

	Investment properties £	UK Investments £	Cash on deposit £	Total £
Cost or valuation	6,707,500	14,089,603	75,719	20,872,822
Transfer	315,000	(77,699)	77,699	315,000
Additions	12,554	-	-	12,554
Disposals	-	-	(153,418)	(153,418)
Gain in the year	-	2,062,950	-	2,062,950
	<u>7,035,054</u>	<u>16,074,854</u>	<u>-</u>	<u>23,109,908</u>

The investment properties are included at the valuation provided by Messrs Jones Norris Adams, Chartered Surveyors, in April 2013. One property has been transferred from Tangible Fixed Assets to Investments in the year, as a result of the change in use of the property..

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

	Market value 2013 £	Market value 2012 £
Charity Income Distribution Unit Trust	2,147,644	2,315,602
Charity Share Distribution Unit Trust	13,927,210	11,774,001
	<u>16,074,854</u>	<u>14,089,603</u>

13 DEBTORS

	2013 £	2012 £
Prepayments and accrued income	23,934	12,660
	<u>23,934</u>	<u>12,660</u>

14 CREDITORS: Amounts falling due within one year

	2013 £	2012 £
Grants payable	75,000	77,000
Accruals	34,336	39,959
Other tax and social security	5,028	5,546
	<u>114,364</u>	<u>122,505</u>

The Panacea Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

15 ANALYSIS OF NET ASSETS	General Fund	Foundation Fund	Total
	£	£	£
Tangible fixed assets	-	3,405,776	3,405,776
Investments	-	23,109,908	23,109,908
Net Current Assets	115,556	107,832	223,388
	<u>115,556</u>	<u>26,623,516</u>	<u>26,739,072</u>

16 GENERAL FUND

	Balance 1 January 2013 £	Incoming £	Outgoing £	Balance 31 December 2013 £
General Fund	202,865	533,752	(621,061)	115,556
	<u>202,865</u>	<u>533,752</u>	<u>(621,061)</u>	<u>115,556</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 2013 £	Incoming £	Outgoing £	Gain on Investments & Fixed Assets £	Balance 31 December 2013 £
Foundation Fund	24,560,566	-	-	2,062,950	26,623,516
	<u>24,560,566</u>	<u>-</u>	<u>-</u>	<u>2,062,950</u>	<u>26,623,516</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 2013

18 HERITAGE ASSETS

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

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

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