

The Panacea Charitable Trust

REPORT AND FINANCIAL STATEMENTS

31 December 2014

The Panacea Charitable Trust

31 December 2014

CONTENTS

	Page
Trustees, Officers and Advisers	1
Trustees' Report	2-6
Statement of Trustees' Responsibilities	7
Independent Auditor's Report	8
Statement of Financial Activities	9
Balance Sheet	10
Statement of Accounting Policies	11-12
Notes to the Financial Statements	13-20

The Panacea Charitable Trust

TRUSTEES, OFFICERS AND ADVISERS

TRUSTEES

Mr G Allan
Rev. Professor Christopher Rowland
Dr Justin James Meggitt
Mr C N Monsell

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

Rathbones Investment Management, 1 Temple Row, Birmingham, B2 5LG

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 year's 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

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.

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

1. Educating and disseminating information to the public about the Christian religion particularly the history, beliefs and practices of the Panacea Society its antecedents and similar Christian religious groups which is achieved by:

- 1.1 funding, supporting and co-ordinating academic research, seminars and conferences and their outputs,
- 1.2 operating a museum on the site of the former community and maintaining in perpetuity the collection displayed in the museum,
- 1.3 maintaining and making available the Charity's archive of books, manuscripts and papers,
- 1.4 supporting any other activities which the Trustees consider will help the Charity to achieve this objective.

2. In furtherance of Christian principles making grants for the relief of poverty and sickness and to advance education generally, primarily in Bedford and the surrounding area.

Grants

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

Education grants have been made in three main ways:

- through supporting research projects at various UK universities
- by providing individual scholarship funding to doctoral scholars
- by sponsoring, or supporting, academic conferences

The Panacea Charitable Trust

TRUSTEES' REPORT

All educational grants are assessed and awarded directly by the Panacea Charitable Trust, taking expert advice as and where necessary.

Poverty, sickness and social related grants were designated to support Bedford and its surrounding local community across a broad range of initiatives and recipients, to provide a range of valuable work and support in the area. Grants were administered by the Bedfordshire and Luton Community Foundation on behalf of the Charity.

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 museum and archives, 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.
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
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.

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 above, £214,738 for the museum and archives. Expenditure included additional development to the charity's museum complex (museum, founders house, chapel and gardens) and staffing provision to enable the Panacea Museum to increase open days. Expenditure also included 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 above, £6,000 in total grants. £5,000 to part fund a Curator role at the John Bunyan Museum in Bedford, and a special grant of £1,000 for the Cambridge Research Project presentation.
3. Under aim 2 above, £150,000 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.

Achievements and performance

Review of charitable activities

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

- Museum & Archives: The Panacea museum, first opened in late 2012, forms the major element of this work. In 2014 the charity had over 2,000 visitors to its museum

The Panacea Charitable Trust

TRUSTEES' REPORT

complex of two main buildings, outbuildings, and gardens. The museum was awarded Arts Council of England Museum Accreditation in August 2014 following an audit process which commenced in September 2013. The Charity also continued its work on cataloguing and publicising its archive collection of Southcottian and later research material.

- Grant making: Commencing in 2001, this now forms 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 (BLCF). BLCF administers the charity's annual non-academic grant-making programme. In 2014 BLCF awarded grants to the following twenty local organisations to help them with their work. Sue Ryder Care, Regency Training Foundation, ACCM (UK), Fun 4 Young People, Salvation Army, Kings Arms Project, Beds and Northants MS Therapy Centre, Headway, Road Victims Trust, Bedford Re Use Centre, Bedford Open Door, Kempston Net, Family Groups Bedford, Friends of CHUMS, St. John's Special School Association, Beds Garden Carers, Bedford Citizens Housing Association, Beds Counselling and Training, Bedford Local Meeting (Quakers), and Men in Sheds Bedford.

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 equities, bonds and cash ("financial investments"). The trustees periodically monitor both classes of investment in terms of weightings and performance.

The charity's investment portfolio mirrored the broader market trends during the year. Investment properties, accounting for approximately a third of the charity's investments by value, improved their 2013 capital values by 17%. Annual rental income derived from these properties was level with 2013, 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 trustees remain satisfied with the work of the charity's property managers in managing the charity's property assets.

The charity's financial investments reflected the performance of the market as a whole, showing 3.4% capital growth in the year. Overall income derived from those investments, £211,424, was deemed satisfactory due to the administration period following the transfer in late 2013 of the investment portfolio from Blackrock to Rathbones. The trustees remain satisfied with the work of the charity's investment managers in managing the charity's investment assets, and has communicated an expectation of improvement in investment income for the 2015 financial year.

Financial Review

Income and Expenditure

Total incoming resources for the year were £429,165 (2013: £533,752), and total resources expended were £619,486 (2013: £621,061), leaving net resources expended of £190,321 (2013: £87,309). The net increase in funds after revaluation of investments was £2,038,930 (2013: £1,975,641).

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 to 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 funds to call upon if expenditure exceeds income in any particular year.

The Panacea Charitable Trust

TRUSTEES' REPORT

Investment Policy

With the first full year of Rathbones' appointment as the charity's investment managers now completed, the financial investment objective is to generate a total return of inflation plus 3% per annum, after expenses, over the long term. This should allow the Charity to at least maintain the real value of the assets, whilst funding annual charitable expenditure in the region of 3% per annum, which meets Trustee requirements to generate both income and long-term capital growth.

In addition, a portfolio of 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 5 June 2015

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 2014 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/auditscopeukprivate>.

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 2014 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
for the year ended 31 December 2014

	Notes	Unrestricted General Fund 2014 £	Unrestricted Foundation Fund 2014 £	Total Funds 2014 £	Total Funds 2013 £
Incoming resources					
Incoming resources from generated funds:					
Investment income	1	428,415	-	428,415	533,021
Other incoming resources		750	-	750	731
Total incoming resources		<u>429,165</u>	<u>-</u>	<u>429,165</u>	<u>533,752</u>
Resources expended					
Costs of generating funds:					
Investment management costs	3	190,983	-	190,983	180,636
Charitable activities	4,5,6	380,162	-	380,162	399,669
Governance costs	7	48,341	-	48,341	40,756
Total resources expended		<u>619,486</u>	<u>-</u>	<u>619,486</u>	<u>621,061</u>
Net (resources expended) / incoming resources before transfers		<u>(190,321)</u>	<u>-</u>	<u>(190,321)</u>	<u>(87,309)</u>
Net (resources expended) / incoming resources before recognised gains and losses		<u>(190,321)</u>	<u>-</u>	<u>(190,321)</u>	<u>(87,309)</u>
Other recognised gains and losses:					
Gain/(Loss) on revaluation of investments	11	-	1,694,251	1,694,251	2,062,950
Gain/(Loss) on revaluation of Fixed Assets	10	-	535,000	535,000	-
Net movement in funds		<u>(190,321)</u>	<u>2,229,251</u>	<u>2,038,930</u>	<u>1,975,641</u>
Balance at 1 January 2014		115,556	26,623,517	26,739,073	24,763,431
Balance at 31 December 2014	15,16	<u>(74,765)</u>	<u>28,852,768</u>	<u>28,778,003</u>	<u>26,739,072</u>

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

The Panacea Charitable Trust

BALANCE SHEET Charity Number 227530

31 December 2014

	<i>Notes</i>	2014 £	2013 £
FIXED ASSETS			
Tangible fixed assets	10	3,899,858	3,405,776
Investments	11	24,953,808	23,109,908
		<u>28,853,666</u>	<u>26,515,684</u>
CURRENT ASSETS			
Debtors	12	49,892	23,934
Cash at bank and in hand		106,508	313,818
		<u>156,400</u>	<u>337,752</u>
CREDITORS: Amounts falling due within one year	13	232,063	114,364
NET CURRENT (LIABILITIES)/ASSETS		<u>(75,663)</u>	<u>223,388</u>
NET ASSETS		<u>28,778,003</u>	<u>26,739,072</u>
FUNDS			
Unrestricted funds – general fund	15	(74,765)	115,556
Unrestricted funds – foundation fund	16	28,852,768	26,623,516
		<u>28,778,003</u>	<u>26,739,072</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 5 June 2015 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.

The Panacea Charitable Trust

ACCOUNTING POLICIES

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

HERITAGE ASSETS

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

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.

PENSIONS

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

The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

1	INVESTMENT INCOME			2014 £	2013 £
	Dividends			211,424	317,431
	Interest on cash deposits			-	355
	Rental income			216,991	215,235
				<u>428,415</u>	<u>533,021</u>
2	ALLOCATION OF INDIRECT COSTS & OVERHEADS				
		Total	Cost of Generating Funds	Charitable Activities	Governance
	2014	£	£	£	£
	Staff	135,812	58,646	58,976	18,190
	Property	56,465	56,465	-	-
	Office/Other	35,595	4,199	1,244	30,152
		<u>227,872</u>	<u>119,310</u>	<u>60,220</u>	<u>48,342</u>
	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>
3	INVESTMENT MANAGEMENT COSTS			2014 £	2013 £
	Fund management fees			71,343	49,644
	Investment properties management fees			15,483	16,239
	Investment properties maintenance and refurbishment			29,620	44,473
	Wages and salaries			58,976	56,852
	Insurance			10,760	8,144
	Miscellaneous/Other			4,801	5,284
				<u>190,983</u>	<u>180,636</u>

The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

4	CHARITABLE ACTIVITIES	2014 £	2013 £
	Museum & Archives		
	Exhibition	153,603	124,863
	Wages and salaries	22,596	22,033
	Functional Properties - Maintenance and refurbishment	21,162	4,541
	Insurance	4,612	3,490
	Service/Other Costs	<u>12,765</u>	<u>13,298</u>
	Total Museum & Archives	214,738	168,224
	Grants & Donations (note 6)		
	Other Universities – Research & Conference Grants	(28,199)	75,000
	Miscellaneous Scholarship/Educational Grants	6,000	15,000
	Health/Social Grants	<u>150,000</u>	<u>100,000</u>
	Total Grants & Donations	127,801	190,000
	Support Costs (notes 2 & 5)		
	Wages & salaries	36,380	34,819
	Other	<u>1,243</u>	<u>6,626</u>
	Total Support Costs	37,623	41,445
		<u>380,162</u>	<u>399,669</u>

5	ANALYSIS OF CHARITABLE ACTIVITIES	2014 £	2014 £	2014 £	2013 £	2013 £	2013 £
		Core Funding	Support Costs	Total	Core Funding	Support Costs	Total
	Museum & Archives	214,738	30,099	244,837	168,224	33,156	201,380
	Educational Grants	(22,199)	3,762	(18,437)	90,000	4,145	94,145
	Health/Social Grants	150,000	3,762	153,762	100,000	4,144	104,144
		<u>342,539</u>	<u>37,623</u>	<u>380,162</u>	<u>358,224</u>	<u>41,445</u>	<u>399,669</u>

The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

6	GRANTS PAYABLE	Paid in the year £	2014 Total £
	Grants committed at 1 January 2014 (net)		(75,000)
	Paid in the year:		
	OTHER UNIVERSITIES – RESEARCH / STUDY		
	Bristol University (Downing Research Project)	300	
	Total paid in the year		300
	Future commitments payable: Approved in the year ending 31 December 2014		202,501
			<u>127,801</u>
	The major recipients for future grants are:	2014 £	
	LOCAL AWARDS		
	Bedford & Luton Community Foundation	150,000	
	Cambridge University (Spiritual Healing Project)	1,000	
	Bunyan Meeting (Church Curator)	5,000	
	OTHER UNIVERSITIES – RESEARCH / STUDY		
	2013 Research Project	46,501	
		<u>202,501</u>	
		<u><u>202,501</u></u>	
7	GOVERNANCE COSTS	2014 £	2013 £
	Trustees' expenses	895	1,708
	Audit fees	11,151	11,188
	Wages and salaries	18,190	17,410
	Office costs	18,105	10,450
		<u>48,341</u>	<u>40,756</u>
		<u><u>48,341</u></u>	<u><u>40,756</u></u>
8	EMPLOYEES	2014 No.	2013 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	4
	Museum & Archives Assistants	1	1
		<u>6</u>	<u>6</u>
		<u><u>6</u></u>	<u><u>6</u></u>

The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

8 EMPLOYEES (continued)

	2014	2013
	£	£
Staff costs for above persons:		
Wages and salaries	183,791	160,270
Social security costs	14,624	15,974
Other pension costs	10,198	-
	<u>208,613</u>	<u>176,244</u>
	No.	No.
The number of employees whose emoluments amounted to more than £60,000 in the year were:		
£75,001 to £80,000	-	1
£80,001 to £85,000*	1	-
	<u> </u>	<u> </u>
Of which pension contributions amounted to £4,631 (2013: £nil).		

9 RELATED PARTY TRANSACTIONS AND TRUSTEES' REMUNERATION

Four trustees were reimbursed during the year for expenses of £895 (2013: Four, £1,708).

None of the trustees received remuneration during the year (2013: nil).

The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

10 TANGIBLE FIXED ASSETS

	Functional Properties £	Furniture, Chattels & Heritage Assets £	Office Equipment & Motor Vehicles £	Museum Assets £	Total £
Cost or valuation:					
1 January 2014	3,145,000	176,093	40,452	152,268	3,513,813
Revaluation	535,000	-	-	-	535,000
31 December 2014	<u>3,680,000</u>	<u>176,093</u>	<u>40,452</u>	<u>152,268</u>	<u>4,048,813</u>
Depreciation:					
1 January 2014	-	-	31,902	76,135	108,037
Charged in the year	-	-	2,850	38,068	40,918
31 December 2014	<u>-</u>	<u>-</u>	<u>34,752</u>	<u>114,203</u>	<u>148,955</u>
Net book value					
31 December 2014	<u>3,680,000</u>	<u>176,093</u>	<u>5,700</u>	<u>38,065</u>	<u>3,899,858</u>
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>

The functional properties were formally valued by Messrs Jones, Norris, Adams, Chartered Surveyors, in April 2013. This valuation has been reviewed by the Trustees at the balance sheet date, and based on published indices and knowledge of local market conditions, the Trustees have updated the valuation to reflect changes in these. The cost of these properties to the charity was £272,535.

The furniture and chattels are included at the valuation provided by Messrs W&H Peacock Auctioneers and Valuers in May 2013. This valuation has been reviewed by the Trustees at the balance sheet date, and in their opinion there has been no material change in their valuation.

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

for the year ended 31 December 2014

11 INVESTMENTS

	Investment properties £	Listed Investments £	Total £
Cost or valuation	7,035,054	16,074,854	23,109,908
Additions	149,649	16,523,782	16,673,431
Disposals	-	(16,523,782)	(16,523,782)
Gain in the year	1,145,297	548,954	1,694,251
	<u>8,330,000</u>	<u>16,623,808</u>	<u>24,953,808</u>

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

11(i) LISTED INVESTMENTS ANALYSIS

	2014 £	2013 £
UK Securities	8,650,950	16,024,854
Overseas Securities	7,612,319	-
Market Value of Investments	<u>16,263,269</u>	<u>16,074,854</u>
Cash held by Investment Manager	360,539	-
	<u>16,623,808</u>	<u>16,074,854</u>

The listed investments are made up as follows:

	2014 £	2013 £
Equities	13,713,774	-
Fixed Interest Securities	2,549,495	-
Charity Income Distribution Unit Trust	-	2,147,644
Charity Share Distribution Unit Trust	-	13,927,210
	<u>16,263,269</u>	<u>16,074,854</u>

Included in the listed investments portfolio are the following Holdings which exceed 5% of the total value of the portfolio:

	2014 £	2013 £
Charity Income Distribution Unit Trust	-	2,147,644
Charity Share Distribution Unit Trust	-	13,927,210

The Panacea Charitable Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

12	DEBTORS	2014 £	2013 £
	Prepayments and accrued income	49,892	23,934
		<u>49,892</u>	<u>23,934</u>

13	CREDITORS: Amounts falling due within one year	2014 £	2013 £
	Grants payable	202,501	75,000
	Accruals	24,699	34,336
	Other tax and social security	4,863	5,028
		<u>232,063</u>	<u>114,364</u>

14	ANALYSIS OF NET ASSETS	General Fund £	Foundation Fund £	Total £
	Tangible fixed assets	-	3,899,858	3,899,858
	Investments	-	24,953,808	24,953,808
	Net Current Assets	(74,765)	(899)	(75,663)
		<u>(74,765)</u>	<u>28,852,768</u>	<u>28,778,003</u>

15 GENERAL FUND

	Balance 1 January 2014 £	Incoming £	Outgoing £	Balance 31 December 2014 £
General Fund	<u>115,556</u>	<u>429,165</u>	<u>(619,486)</u>	<u>(74,765)</u>

The trustees have agreed with the Charity Commission to distribute approximately 100% of net unrestricted income.

The Panacea Charitable Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

16 FOUNDATION FUND

	Balance 1 January 2014 £	Incoming £	Outgoing £	Gain on Investments & Fixed Assets £	Balance 31 December 2014 £
Foundation Fund	26,623,517	-	-	2,229,251	28,852,768
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </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 may 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.

17 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.