

(CHARITY NO. 217771)

REES JEFFREYS ROAD FUND
REGISTERED CHARITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2010

**REES JEFFREYS ROAD FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

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REES JEFFREYS ROAD FUND
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2010

The Board of Trustees presents its report together with the financial statements of the charity for the year ended 31 December 2010.

Constitution

The Rees Jeffreys Road Fund is an unincorporated grant making charity operating under a Trust Deed dated 4 December 1950. Its Registered Charity No. is 217771. The principal address at which it can be contacted is Merriewood, Horsell Park, Woking, Surrey GU21 4LW. Website:

www.reesjeffreys.org

It was founded by William Rees Jeffreys (1872 – 1954), the first Secretary of the Road Board, which was the precursor of the Department of Transport. He was a lifelong campaigner for roads, demonstrating that interest as a council member of the Cyclists Touring Club while still a student at the London School of Economics at the turn of the 19th century. In 1907 he organised a competition, supported by the RAC and AA, to combat the menace of dusty roads, after his experience at the Road Board he became known as ‘the British Ambassador for Good Roads’ through his membership of the International Commission of Road Congresses. In 1937 Lloyd George described him a ‘the greatest authority on roads in the United Kingdom and one of the greatest in the whole world’.

Organisation and Governance

The Fund has eight Trustees. Whilst this is regarded as an appropriate size in relation to the role and objectives of the charity, further recruitment to the Board of Trustees continues to be kept under regular review. Appointments are made by the full body of Trustees from those with appropriate transport experience to serve for an unlimited time. Training to supplement existing skills and knowledge is addressed as required.

The trustees who have served during the year are as follows:

David Bayliss OBE, FEng. (Chairman)

M.N.T.Cottell OBE, FEng. FICE., FIHT

Tony Depledge OBE

Ann Frye OBE, BA, FCILT, FIHT

Prof. S. Glaister CBE, PhD

David Hutchinson MSC, BTech, FICE, FIHT

Prof. Mike McDonald BSc, PhD, CEng, FICE, FCILT

J. Martin Shaw OBE, BA, DIPTP, FRTPI, FIHT, FRSA

Prof J Wootton CBE, FEng.

Appointed 20 April 2010

Resigned 1 February 2010

Secretary

Brian Smith BA, CPFA

Professional firms providing services to the charity are:

Bankers:

Investec Bank (UK) Ltd
2 Gresham Street
London
EC2V 7QP

Investment Managers:

Barclays Wealth
1 Churchill Place
London
E14 5HP

Independent Examiners:

Crowe Clark Whitehill LLP
Chartered Accountants
Aquis House
49 – 51 Blagrove Street
Reading, Berks
RG1 1PL

REES JEFFREYS ROAD FUND
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2010

Risk Management

In accordance with current best practice the Trustees regularly review the actual and potential risks, which affect the operations and administration of the Fund, and are satisfied with the procedures and other safeguards they have put in place.

Objectives and Activities

The following objectives of the Fund are extracted from the Trust Deed:-

1. To contribute to the cost of lectures, studies and scholarship calculated to foster the improvement of design and layout of public highways and adjoining lands...
2. To promote schemes for the provision of roadside parks and open spaces...
3. To encourage the improvement of existing and provision of additional public highways, bridges, tunnels, footpaths, verges, and cycleways.... to secure the maximum of safety and beauty...
4. To do any other matter or thing which may conduce to the carrying out of the foregoing object and thereby carry out the wishes and continue the life work of the founder.

Achievements and Performance

Last year's Review reiterated the Trustees' strong belief that the Fund should maintain a consistent and positive approach to grant making in the face of continuing financial and economic uncertainty. This determination was facilitated in 2010 by the steady progress made by the Fund's investments during the year, but the period has not been 'recession proof' as far as the Fund is concerned, and in particular the Trustees have become increasingly aware of the difficulties encountered by many applicants in obtaining matched funding for their projects.

A particularly large educational project in Northern Ireland, which the Fund was very keen to support, was thwarted by the inability of the applicants to secure funding from other sources. That outcome was particularly disappointing to Trustees, since funds earmarked for that purpose were not released until relatively late in the financial year. Nonetheless the Fund was still able to make twenty one grants in the year, totalling £188,000.

The largest proportion of this sum (£90,000) related to bursary awards, which remained a key priority for Trustees during 2010, providing vital support and encouragement to nine highly impressive candidates, who, it is anticipated, will make a significant impact upon the UK transport world in future years.

Grants for physical projects continued to rely upon the long-standing relationship which the Fund has with Wildlife Trusts, and in 2010 the partnership resulted in financial support for four schemes in England and Wales, totalling £26,000, which were judged to be of significant benefit to the road user.

The Fund's Chairman has continued to express a desire to extend the number of research grant recipients. The Trustees see the support that they can give to projects which can influence UK transport policy as a core objective, and they would very much wish to encourage more applicants in this area. In 2010 £72,000 was awarded in grants under this heading, including major awards to the Road Safety Foundation and to the Sir Colin Buchanan Archive project.

As part of the need to attract a greater quantity and quality of applications, the Trustees decided during 2010 to make an investment in the redevelopment of the Fund's website. The benefits of this move will be seen from the beginning of 2011, when it is hoped that more interest than ever will be aroused in the activities of the Fund.

REES JEFFREYS ROAD FUND
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2010

Public Benefit

During 2010 Trustees continued to review the Charity Commission guidance in relation to 'public benefit' and were again able to conclude with confidence that the Fund met the requirements of that guidance. In particular Trustees were of the opinion that there are clear tangible benefits to the public arising out of the charity's objectives and activities - physical projects, which seek to enhance the experiences of the road-user; research projects, which seek to contribute to the development of transport policy in the UK; and education grants, which seek to support and assist young people in their training to become the transport professionals of tomorrow. The Trustees will however revisit the 'public benefit' position at their future meetings.

Financial Review

In 2010 the Fund saw its investments continue the recovery initiated in 2009, and by the end of the year the Fund had found itself in a much more healthy position (value of investments £6.9m). Whilst this represents a more comfortable position and a sounder basis for grant making, the Trustees took the view that the time was right to initiate a review and update of the Fund's investment strategy and management arrangements – a process which will be completed early in 2011.

The trust's income again arose entirely from its investments and increased by just under £21,000. Grant expenditure increased by £1,300, once grants withdrawn were taken into account, and governance costs decreased by £2,000.

Reserves Policy

The Fund does not have any fundraising activities. Its only long-term asset is its reserve fund, which is invested in line with the policy outlined in the following paragraph, to enable grant-making on direct charitable purposes and expenditure on administration. The Trustees' aim is to maintain its reserves at a level which allows it to achieve a consistent approach to its expenditure strategy which benefits equally present and future beneficiaries of the Fund. This funding policy is determined after consultation with investment advisors and other research.

Investment Policy

The investment objective was revised following the investment strategy review, which took place in 2006. That review will be revisited and updated during 2011. The aim is to produce sufficient resources over a ten-year period to permit the current level of annual expenditure to continue in real terms and to maintain the capital value of the Fund in real terms over that ten-year period. In seeking to achieve that objective exposure to risk should be maintained at a low level. The investment manager has discretion to invest within agreed parameters and reports regularly to the Trustees, who review the extent to which it has been possible to achieve the investment objective.

Grant Making Policy

All relevant requests are submitted to Trustees and agreed by them at their regular meetings, normally held five times a year. Trustees favour proposals where the outcome will have national rather than local application and where costs are shared with other funding partners. They give priority to project expenditure (excluding overheads and core funding).

Approved by the trustees and signed on their behalf by:

D Bayliss OBE, FREng.
Date: 1 February 2011

REES JEFFREYS ROAD FUND CHAIRMAN'S STATEMENT

I would like to express my appreciation to my fellow Trustees and Brian Smith, our Secretary, for their efforts during 2010 and Arriva plc for hosting a meeting of the Trustees during the year. In particular I thank Professor John Wootton, who retired from the Fund in February, for his ten years' service as a Trustee and welcome Professor Mike McDonald who joined us during the year.

This year has seen a further modest improvement in the Fund's financial position with the Fund increasing from roundly £6.4m at the beginning of the year to £6.9m at the end. Whilst aiming to make more funding for research and education, the unavailability of matching funds for a grant of £66k for a lectureship at the University of Ulster and too few good quality research applications meant that overall we provided £188k of grants: rather less than our guideline of £200k - £250k. However we were able to make nine awards of £10k each for Masters' bursaries in transport, £25k supporting roadside improvement schemes submitted by wildlife trusts and £73k on research and other projects. It gave me particular pleasure that we were able to make an award to catalogue the papers of the late Sir Colin Buchanan - a man I did not know very well but admired greatly. Sir Colin was one of the most influential contributors to the theory and practice of urban planning and transportation during the second half of the twentieth century and, as a result of our award, his works will be available to researchers, practitioners and the wider public.

It has become our practice to rely heavily on wildlife trusts for roadside improvement schemes and whilst the Trustees appreciate the collaboration we have built up with these bodies I would like to make it clear that the Fund is open to other proposals from other organisations for improving the road side amenities for motorists and other road users.

The change of government and significant reductions in public expenditure are having serious consequences for the funding of research and education in highways and transportation. The Department for Transport and the Economic and Social Science Research Council have withdrawn funding for the barely established UK Transport Research Centre and the prospect of much higher debts to be incurred by English graduates can only reduce the number of candidates for post Master's courses in transportation. Whilst the Fund will continue its support for both research and Masters students this will do little to remedy these problems. I hope that as our public finances are repaired the government, ESRC and EPSRC will give a high priority to restoring funding in transport research and increase support for domestic post graduate students in transport planning, economics and engineering.

The Fund's website is being improved to make it more informative and to provide an easy means of communication for those interested in our work. I anticipate that the website will become the principal medium for applicants to contact the Fund. However I would like to invite anyone interested in the Trust's aims and activities to use it to put forward their ideas for topics that the Fund should promote research into, or for other initiatives reflecting our aims.

D Bayliss OBE, FREng.
Chairman

REES JEFFREYS ROAD FUND

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The purpose of this statement is to distinguish the Trustees' responsibilities for the financial statements from those of the Independent Reviewer as stated in their report.

The Charities Act 1993 requires the Trustees to prepare accounts for each year which give a true and fair view of the state of affairs of the charity at the end of the year and of the surplus or deficit of the charity for that period. In preparing those accounts the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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 accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to assume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the accounts comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The Trustees are responsible for ensuring that the Trustees' Report and other information included in the Annual Report are prepared in accordance with Charity Law in the United Kingdom.

INDEPENDENT EXAMINERS' REPORT TO THE TRUSTEES OF REES JEFFREYS ROAD FUND

We report on the accounts of the Rees Jeffreys Road Fund for the year ended 31 December 2010, which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes.

This report is made solely to the Charity's Trustees, as a body, in accordance with s.43(3) of the Charities Act 1993. Our examination has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an independent examiner'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 examination, for this report, or for the opinions we have formed.

Respective responsibilities of members of the Trustees and the examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed.

It is our responsibility to:

- examine the accounts (under section 43(3)(a) of the 1993 Act);
- to follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 43(7)(b) of the 1993 Act); and
- to state whether particular matters have come to our attention.

Basis of independent examiner's report

Our examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes a consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently we do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with our examination, no matter has come to our attention:

- (1) which gives us reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 41 of the 1993 Act; and
 - to prepare accounts which accord with the accounting records and comply with the requirements of the 1993 Acthave not been met; or
- (2) to which, in our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Crowe Clark Whitehill LLP
Chartered Accountants
16 February 2011

Aquis House
49- 51 Blagrove Street
Reading RG1 1PL

REES JEFFREYS ROAD FUND
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	Unrestricted Funds 2010		Unrestricted Funds 2009	
		£	£	£	£
INCOMING RESOURCES					
Investment income					
Interest from securities & dividends		31,879		8,760	
Deposit interest		<u>95</u>		<u>2,304</u>	
TOTAL INCOMING RESOURCES			<u>31,974</u>		<u>11,064</u>
RESOURCES EXPENDED					
Costs of Generating Funds:					
Investment Management fees			-		-
Charitable Activities:					
Educational bursaries and support for universities		97,800		131,766	
Research and other projects		75,133		25,858	
Roadside rests and land adjoining		<u>17,522</u>		<u>31,531</u>	
	4		190,455		189,155
Governance Costs:					
Meeting expenses		1,838		1,087	
Trustees' travelling expenses		365		509	
Accountancy	6	<u>2,450</u>		<u>5,175</u>	
			<u>4,653</u>		<u>6,771</u>
TOTAL RESOURCES EXPENDED			<u>195,108</u>		<u>195,926</u>
NET OUTGOING RESOURCES BEFORE REVALUATIONS AND INVESTMENT ASSET DISPOSALS					
			(163,134)		(184,862)
(Loss)/Gains on revaluations and disposals of investment assets			<u>599,152</u>		<u>1,321,183</u>
NET MOVEMENT IN FUNDS			436,018		1,136,321
Balances brought forward at 1 January 2010			<u>6,333,203</u>		<u>5,196,882</u>
BALANCES CARRIED FORWARD AT 31 DECEMBER 2010			<u>6,769,221</u>		<u>6,333,203</u>

All activities are continuing.

REES JEFFREYS ROAD FUND
BALANCE SHEET
31 DECEMBER 2010

	Notes	2010 £	2009 £
FIXED ASSETS			
Investments	7	6,949,024	6,442,854
CURRENT ASSETS			
Cash at bank and in hand		<u>13,131</u>	<u>53,502</u>
CREDITORS			
Amounts falling due within one year	8	<u>(192,934)</u>	<u>(163,153)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(179,803)</u>	<u>109,651</u>
NET ASSETS		<u><u>6,769,221</u></u>	<u><u>6,333,203</u></u>
Represented by:			
RESERVES			
Unrestricted funds:			
Trust Fund		167,374	167,374
Capital Reserve Fund		<u>6,601,847</u>	<u>6,165,829</u>
TOTAL FUNDS		<u><u>6,769,221</u></u>	<u><u>6,333,203</u></u>

Approved by the Trustees on 1 February 2011
and signed on their behalf by:

D Bayliss OBE, FEng.

REES JEFFREYS ROAD FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES

a) Accounting Convention

The accounts are prepared under the Charities Act 1993 on the historical cost convention, as modified by the adoption of market value for investment assets, and are in accordance with applicable accounting standards and the statement of Recommended Practice on Accounting and Reporting by Charities (SORP 2005).

b) Investments & Incoming Resources

Investments are stated at market value as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposal throughout the year.

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

c) Charitable Activities

Charitable activities include grants made and an apportionment of overhead and support costs.

d) Resources Expended

All expenditure is accounted for on an accruals basis and analysed as follows:

Grants payable in furtherance of the charity's objects. Provision is made for lectureships and bursaries for the whole of the academic year 2010/11 and for research projects and roadside rests according to commitments made during the year.

Cost of generating funds consists of the costs incurred in management of the investment portfolio.

Support costs, which are costs relating to the provision of secretarial services and office running expenses.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulations and good practice.

Support costs are allocated between the charitable activities on the basis of the value of expenditure for that charitable activity as a proportion of the total charitable expenditure.

e) Liabilities

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure.

f) Reserves

The Trust Fund and the Capital Reserve Fund are both available for use to meet the Trust's charitable objectives and to support the costs of administration and management.

The Trust Fund is separately identified by the Trustees as it represents sums provided by Rees Jeffreys when the Rees Jeffreys Road Fund was established, together with additional receipts from his Estate following his death.

REES JEFFREYS ROAD FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2010

2. TRUSTEES' REMUNERATION AND EXPENSES

None of the trustees received any remuneration during the year.

Three trustees were reimbursed for their claimed travelling and subsistence costs during the year of £365 (2009: £509). No other costs have been reimbursed.

3. SUPPORT COSTS

	Educational bursaries and support	Research and other projects	Roadside rests and land adjoining	Total allocated 2010	<i>Total allocated 2009</i>
	£	£	£	£	£
Secretarial services	12,279	5,690	2,031	20,000	<i>20,000</i>
Office expenses	<u>2,386</u>	<u>1,105</u>	<u>394</u>	<u>3,885</u>	<u><i>2,866</i></u>
	<u>14,665</u>	<u>6,795</u>	<u>2,425</u>	<u>23,885</u>	<u><i>22,866</i></u>

Support costs are allocated between the charitable activities on the basis of the value of expenditure for that charitable activity as a proportion of the total charitable expenditure.

4. ANALYSIS OF CHARITABLE EXPENDITURE

	Grants	Support costs	Total 2010	<i>Total 2009</i>
	£	£	£	
Educational bursaries and support	83,135	14,665	97,800	<i>131,766</i>
Research and other projects	68,338	6,795	75,133	<i>25,858</i>
Roadside rests and land adjoining	<u>15,097</u>	<u>2,425</u>	<u>17,522</u>	<u><i>31,531</i></u>
At 31 December 2010	<u>166,570</u>	<u>23,885</u>	<u>190,455</u>	<u><i>189,155</i></u>

5. ANALYSIS OF GRANTS

	Grants to Institutions	Grants to Individuals	Total 2010	<i>Total 2009</i>
	£	£	£	
Educational bursaries and support	-	83,135	83,135	<i>117,010</i>
Research and other projects	59,625	8,713	68,338	<i>21,779</i>
Roadside rests and land adjoining	<u>15,097</u>	<u>-</u>	<u>15,097</u>	<u><i>27,500</i></u>
At 31 December 2010	<u>74,722</u>	<u>91,848</u>	<u>166,570</u>	<u><i>166,289</i></u>

6. ACCOUNTANCY

	2010 £	<i>2009 £</i>
Independent Examination	2,450	<i>2,300</i>
Audit – Under accrued	<u>2,450</u>	<u><i>2,875</i></u>

REES JEFFREYS ROAD FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2010

7. UK LISTED INVESTMENTS

	Market Value	Historical Cost
	£	£
At 1 January 2010	6,442,854	6,749,832
Additions	-	-
Disposals	(91,647)	(91,647)
Gains on revaluation	<u>597,817</u>	<u>-</u>
At 31 December 2010	<u>6,949,024</u>	<u>6,658,185</u>

All investments are listed on a recognised stock exchange.

	2010	2009
	£	£
Market value:		
UK investments	1,221,271	870,881
Non-UK investments	<u>5,727,753</u>	<u>5,571,973</u>
	<u>6,949,024</u>	<u>6,442,854</u>

There are no direct investments and no individual investments representing more than 5% of the market value of investments.

8. CREDITORS: Amounts falling due within one year

	2010	2009
	£	£
Grants and projects	190,534	160,853
Accruals	<u>2,400</u>	<u>2,300</u>
	<u>192,934</u>	<u>163,153</u>

	2010		2009	
	£	£	£	£
Movement in Grant commitments				
Commitment brought forward		160,853		180,841
New Grants made	251,196		180,690	
Grants withdrawn	<u>(84,626)</u>		<u>(14,401)</u>	
		166,570		166,289
Payments made		<u>(136,889)</u>		<u>(186,277)</u>
Commitment carried forward		<u>190,534</u>		<u>160,853</u>

9. PURPOSE OF FUNDS

The Trust Fund and the Capital Reserve Fund are both available for use to meet the Trust's charitable objectives and to support the costs of administration and management.

The Trust Fund is separately identified by the Trustees as it represents sums provided by Rees Jeffreys when the Rees Jeffreys Road Fund was established, together with additional receipts from his Estate following his death.