

(CHARITY NO. 217771)

**REES JEFFREYS ROAD FUND
REGISTERED CHARITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2013**

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ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**REES JEFFREYS ROAD FUND
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2013**

The Board of Trustees presents its report together with the financial statements of the charity for the year ended 31 December 2013.

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: <http://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, FREng. (Chairman)
M.N.T.Cottell OBE, FREng. FICE, FCIHT
Tony Depledge OBE
Ann Frye OBE, BA, FCILT, FCIHT
Prof. S. Glaister CBE, PhD, FICE, FTRF, FCGI
David Hutchinson MSC, BTech, FICE, FCIHT
Prof. Mike McDonald BSc, PhD, CEng, FICE, FCILT
J. Martin Shaw OBE, BA, DIPTP, FRTPI, FCIHT, FRSA

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 2013

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

In 2013 Trustees continued to respond to grant applicants in a consistent and positive manner within the constraint of the expenditure guideline set at the first meeting of the year. The overall expenditure on new grants in the year - £242,000 – was the highest for a number of years and, when other expenditure items are included, was comfortably within the guideline.

Education spending remained a high priority for Trustees and at £115,800 was slightly higher than in 2012. Nine bursaries were awarded to post-graduate transport students, who, it is anticipated, will make a major contribution to UK transport in the years ahead. As in previous years further funding under the education heading was provided, including a continuing commitment to the Arkwright Trust and Headstart.

Research projects also showed an increase over 2012 and new grants totalling £116,150 were made before any write backs. The Fund's Trustees have always regarded research projects as a high priority, particularly where they believe that there is the potential to influence UK transport policy. Topics covered included large project decision-making, road pricing, cycling incentives and car clubs.

Grants for physical projects have had a less successful year. Activity under that heading continued to fall in 2013 and grant-aid was provided for only three such schemes totalling less than £10,000, two of them as a result of the Fund's long-standing relationship with Wildlife Trusts.

Public Benefit

During 2013 Trustees continued to review the Charity Commission guidance in relation to 'public benefit' and were again able to give assurance that the Fund had met the requirements of that guidance throughout 2013. In particular Trustees concluded that there continue to be clear and 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 continue to review the 'public benefit' position during 2014.

REES JEFFREYS ROAD FUND
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

Financial Review

2013 saw for the second year a substantial increase in the value of the Fund's investments and by the end of the year the Fund's investments were valued at £7.4m, an increase of around 8.5% from the beginning of 2013. The Fund is heavily dependent upon its investments, and consequently the Trustees intend to continue to give regular consideration to the Fund's investment strategy and management arrangements.

The Trust's direct income from its investments plays a small part in maintaining the Fund's financial strength by comparison with the capital appreciation. Grant activity increased in 2013 in the areas of both education and research. Governance costs for the year increased by approximately £600.

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 in support of those purposes. The Trustees' aim is to maintain its reserves at a level which allows it to achieve an approach to its expenditure strategy which benefits equally present and future beneficiaries of the Fund. This policy, and the level of reserves required to implement the policy on a consistent basis, is determined after consultation with investment advisors and other research and is subject to regular review.

Investment Policy

The investment objective was revised following the investment strategy review, which took place in 2006. That review was revisited and updated in 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 Hutchinson
Trustee
Date: 6 February 2014

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 2013 and both Barclays Wealth, the Fund's investment managers, and Arriva for each hosting a meeting of the Trustees during the year. The Fund decided upon a range of £250k - £300k as an expenditure guideline for the year, and in the event we spent £258k.

The improvement in the Fund's reserves that started in 2012 continued - increasing from £6.8m at the beginning of 2013 to £7.4m at its end. Support for education remained the Fund's largest activity at £129k followed closely by research and studies, £113k, with expenditure on physical projects in 2013 of only £11k.

The Trustees met five times during the year with a subcommittee meeting in June to decide the award of the Masters' bursaries. Again nine bursaries, each worth £10k were awarded and also the Fund supported two Arkwright Scholarships. Thirty two project applications were considered at the meetings of trustees, and I dealt with five by Chairman's action. These ranged from topics such as 'The Politics of Decision-Making in Large Infrastructure Projects: The Case of High Speed Rail 2' to 'The use of incentives and gamification to encourage cycling'. In addition to the Masters' bursaries and Arkwright Scholarships ten awards were made including two for physical works.

There remained a shortage of good quality research applications and unfortunately the Fund was unable to support a number of promising ideas because they had not been thought through adequately - not having have carried out a meaningful review of the existing work, proposing and practical methodology or giving a clear indication of the potential application of the results of their work and how these would be disseminated. Also whilst the variety of proposals was interesting overall there was little synergy between them and collectively their contribution to the aims of the Fund did not appear to be as substantial as it could be.

The change in attitudes to roads policy at government level seen in 2012 progressed, albeit at a sluggish pace, and towards the end of the year we saw publication by the Department of Transport of 'Action for Roads; A network for the 21st century'; publication of the first 3 national route based strategies; consultations on transforming the Highways Agency into a government owned company and a National Roads draft policy statement - facilitating a more active national road programme, and the reinstatement of the (£1.5bn) A14 Cambridge to Huntingdon Improvement Scheme which had previously been deemed unaffordable.

For these reasons the Trustees have carried out a review of how the fund operates and decided to adopt the theme 'A Road System Fit for Purpose in the Mid Thirties'. This should be pursued more proactively than in the recent past and will include research and studies, education and training and, where appropriate, physical works. This is very much in line with William Rees Jeffreys' belief 'that the building and maintenance of roads - safe, adequate and pleasant - on sound financial bases is one of the surest ways to raise the standard of living, to advance civilisation and to promote the well-being of people'. This is an ambitious venture encompassing highways administration, infrastructure needs, road use charging, taxation and funding, the road vehicle interface, vehicle technology and highways design and management.

To do it full justice would be beyond the Fund's limited resources. However there are several other bodies with similar interests and during 2014 Trustees will be seeking collaborative arrangements with like-minded partners in this endeavour.

At the end of the year I stood down as Chairman of the Fund and was delighted that the Trustees selected David Hutchinson to be the ninth Chairman of the Fund. I wish David well in this new role for him and I will continue as a trustee to support him through the coming year. This is also the occasion to thank Trustees, past and present, who have supported me during my (almost) ten years as Chairman - a rewarding task made all the more enjoyable by the companionship of fellow trustees.

D Bayliss OBE, FREng.
Chairman

REES JEFFREYS ROAD FUND

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

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 the 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 judgments 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 adequate accounting records that are sufficient to show and explain the charity's transactions, 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, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution.

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.

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF REES JEFFREYS ROAD FUND

I report on the accounts of Rees Jeffreys Road Fund for the year ended 31 December 2013, which comprise the Statement of Financial Activities, Balance Sheet and associated notes numbered 1 to 9.

This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011. My independent examiner's work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity, the charity's members as a body and the charity's trustees as a body for my independent examiner's work, for this report, or for the opinions I have formed.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. 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 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 no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

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

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and comply with the requirements of the 2011 Act

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Patrick O'Neill
Crowe Clark Whitehill LLP
Chartered Accountants

Aquis House
49- 51 Blagrove Street
Reading RG1 1PL

12 February 2014

REES JEFFREYS ROAD FUND
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2013

		Unrestricted Funds 2013		Unrestricted Funds 2012	
Notes	£	£	£	£	£
INCOMING RESOURCES					
Investment income					
Interest from securities & dividends		20,695		16,613	
Deposit interest		<u>290</u>		<u>270</u>	
TOTAL INCOMING RESOURCES			<u>20,985</u>		<u>16,883</u>
RESOURCES EXPENDED					
Costs of Generating Funds:					
Investment Management fees			-		-
Charitable Activities:					
Educational bursaries and support for universities		128,680		108,142	
Research and other projects		113,060		104,289	
Roadside rests and land adjoining		<u>10,852</u>		<u>12,185</u>	
4			252,592		224,616
Governance Costs:					
Meeting expenses		2,302		2,213	
Trustees' travelling expenses		731		341	
Accountancy	6	<u>2,592</u>		<u>2,496</u>	
			<u>5,625</u>		<u>5,050</u>
TOTAL RESOURCES EXPENDED			<u>258,217</u>		<u>229,666</u>
NET OUTGOING RESOURCES BEFORE REVALUATIONS AND INVESTMENT ASSET DISPOSALS					
			(237,232)		(212,783)
(Loss)/Gains on revaluations and disposals of investment assets			<u>821,966</u>		<u>752,039</u>
NET MOVEMENT IN FUNDS			584,734		539,256
Balances brought forward at 1 January 2013			<u>6,599,844</u>		<u>6,060,588</u>
BALANCES CARRIED FORWARD AT 31 DECEMBER 2013			<u>7,184,578</u>		<u>6,599,844</u>

All activities are continuing.

REES JEFFREYS ROAD FUND
BALANCE SHEET
31 DECEMBER 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Investments	7	7,413,846	6,823,995
CURRENT ASSETS			
Cash at bank and in hand		<u>26,030</u>	<u>1,796</u>
CREDITORS			
Amounts falling due within one year	8	<u>(255,298)</u>	<u>(225,947)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(229,268)</u>	<u>(224,151)</u>
NET ASSETS		<u>7,184,578</u>	<u>6,599,844</u>
Represented by:			
RESERVES			
Unrestricted funds:			
Trust Fund		167,374	167,374
Capital Reserve Fund		<u>7,017,204</u>	<u>6,432,470</u>
TOTAL FUNDS		<u>7,184,578</u>	<u>6,599,844</u>

Approved by the Trustees on 6 February 2014
and signed on their behalf by:

D Hutchinson

The notes on pages 9 to 11 form part of these accounts

REES JEFFREYS ROAD FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

a) Accounting Convention

The accounts are prepared under the Charities Act 2011 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 2013/14 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 relate 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 2013

2. TRUSTEES' REMUNERATION AND EXPENSES

None of the trustees received any remuneration during the year.

Four trustees were reimbursed for their claimed travelling and subsistence costs during the year of £731 (2012: Three trustees £341). No other costs have been reimbursed.

3. SUPPORT COSTS

	Educational bursaries and support	Research and other projects	Roadside rests and land adjoining	Total allocated 2013	Total allocated 2012
	£	£	£	£	£
Secretarial services	12,073	12,109	1,018	25,200	20,000
Office expenses	<u>807</u>	<u>810</u>	<u>68</u>	<u>1,685</u>	<u>1,438</u>
	<u>12,880</u>	<u>12,919</u>	<u>1,086</u>	<u>26,885</u>	<u>21,438</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 2013	Total 2012
	£	£	£	
Educational bursaries and support	115,800	12,880	128,680	108,142
Research and other projects	100,141	12,919	113,060	104,289
Roadside rests and land adjoining	<u>9,766</u>	<u>1,086</u>	<u>10,852</u>	<u>12,185</u>
At 31 December 2013	<u>225,707</u>	<u>26,885</u>	<u>252,592</u>	<u>224,616</u>

5. ANALYSIS OF GRANTS

	Grants to Institutions	Grants to Individuals	Total 2013	Total 2012
	£	£	£	
Educational bursaries and support	22,500	93,300	115,800	98,500
Research and other projects	97,909	2,232	100,141	94,100
Roadside rests and land adjoining	<u>9,766</u>	<u>-</u>	<u>9,766</u>	<u>10,578</u>
At 31 December 2013	<u>130,175</u>	<u>95,532</u>	<u>225,707</u>	<u>203,178</u>

6. ACCOUNTANCY

	2013 £	2012 £
Independent Examination	<u>2,592</u>	<u>2,496</u>

REES JEFFREYS ROAD FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

7. UK LISTED INVESTMENTS

	Market Value	Historical Cost
	£	£
At 1 January 2013	6,823,995	6,290,973
Additions	490,354	490,354
Disposals	(722,469)	(665,190)
Gains on revaluation	<u>821,966</u>	<u>-</u>
At 31 December 2012	<u>7,413,846</u>	<u>6,116,137</u>

All investments are listed on a recognised stock exchange.

	2013	2012
	£	£
Market value:		
UK investments	1,095,019	1,197,574
Non-UK investments	<u>6,318,827</u>	<u>5,626,421</u>
	<u>7,413,846</u>	<u>6,823,995</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

	2013	2012
	£	£
Grants and projects	252,802	223,547
Accruals	<u>2,496</u>	<u>2,400</u>
	<u>255,298</u>	<u>225,947</u>

	2013		2012	
	£	£	£	£
Movement in Grant commitments				
Commitment brought forward		223,547		234,686
New Grants made	241,716		219,020	
Grants withdrawn	<u>(16,009)</u>		<u>(15,842)</u>	
		225,707		203,178
Payments made		<u>(196,452)</u>		<u>(214,317)</u>
Commitment carried forward		<u>252,802</u>		<u>223,547</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.