

(CHARITY NO. 217771)

REES JEFFREYS ROAD FUND
REGISTERED CHARITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2012

**REES JEFFREYS ROAD FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

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REES JEFFREYS ROAD FUND
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2012

The Board of Trustees presents its report together with the financial statements of the charity for the year ended 31 December 2012.

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, FEng. (Chairman)
M.N.T.Cottell OBE, FEng, 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 2012

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 2012 Trustees continued to aim for a consistent and positive approach to grant-making in response to the evident funding problems faced by applicants in difficult economic circumstances.

Education spending - £108,142 - was lower in 2012 than in the previous year, but this decrease arose directly as a result of an exceptional item of expenditure in 2011. Education and training remained a high priority for Trustees, particularly in relation to bursaries where eight awards were given to highly talented post-graduate transport students, who, it is hoped, will make a major contribution to UK transport in the years ahead. Further funding to the Arkwright Trust and Headstart was provided as part of a continuing commitment to heightening the awareness of engineering, particularly in relation to transport, amongst younger students.

Grants for physical projects continued to rely upon the Fund's long-standing relationship with Wildlife Trusts. In 2012 financial support was provided for only four schemes in England and Wales, totalling £16,420. That figure was reduced by the withdrawal of grant from a previous year's project, which failed to proceed.

The Fund's Trustees have continued as a high priority to seek to extend the number of research grant recipients particularly where projects have the potential to influence UK transport policy. It was pleasing to note therefore that research expenditure totalled £104,000 in 2012 compared with £46,000 in 2011. The Motorway Archive Trust, PACTS, CIHT and the Independent Transport Commission (ITC) were among the recipients in 2012, and the wide range of topics covered included Transport in the Urban Environment, Paying for Road Use, Cycling Safety, Verge Maintenance and Older Driver Safety.

Public Benefit

During 2012 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 during 2013.

REES JEFFREYS ROAD FUND
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012

Financial Review

2012 saw a significant increase in the value of the Fund's investments following a downturn in 2011, and by the end of the year the Fund's investments were valued at £6.8m, an increase of 0.7m from the beginning of 2012. 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 (£16,613 in 2012) continues to play only a small part in maintaining the Fund's financial strength by comparison with the capital appreciation of 11% in 2012. Grant activity increased in 2012 particularly in the area of research, although grant expenditure decreased by £28,000, (after grants withdrawn were taken into account) as a result of a major education grant in 2011, Governance costs decreased by approximately £500.

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 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:

Stephen Glaister CBE, PhD, FICE, FTRF, FCGI
Trustee
Date: 26 February 2013

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 2012 and both Barclays Wealth, the Fund's investment managers, and the Chartered Institute of Highways and Transportation for hosting a meeting of the Trustees during the year. The Fund decided upon a range of £225k - £275k as an expenditure guideline for the year, and in the event we spent almost £230k in total.

After a disappointing year in 2011, there was some improvement in the Fund's reserves from roundly £6m at the beginning of the year to £6.6m at the year's end. Support for education remained the Fund's largest activity at £108k followed closely by research and studies, £104k, with expenditure on physical projects in 2012 of only £12k (taking into account the withdrawal of a grant to a previous year's project).

The Trustees met five times during the year with a subcommittee meeting in June to decide the award of the Masters' bursaries. Twenty four project applications were considered at the full meetings of Trustees, and I dealt with 18 by Chairman's action. These ranged from topics such as Paying for Road Use (for which an award was made) to the 'Juvenile Justice' (which was not supported as it fell outside the Funds remit). Road safety figured strongly as a supported topic and, whilst the Fund will continue to look favourably on this important aspect of transport, we would like to see more applications in mobility, economics and environmental aspects of transport policy and practice.

There remained a shortage of good quality research applications and, with the difficulties that some applicants had in realising the matching funding they were seeking, this meant that more could have been provided for research and related projects. Amongst these was a grant to the Motorway Archive, which the fund has supported over many years and I now hope is in a position to continue with its excellent work. Support was also provided for the work of the Independent Transport Commission and the Parliamentary Advisory Committee for Transport Safety, with which the Fund has cooperated over many years, and I would like to express my appreciation for the sterling work that Rob Gifford the outgoing director has done and wish his successor well.

I would advise potential applicants to think their projects through carefully, ensure that they have carried out a meaningful review of the existing work, have a defined and practical methodology and give a clear indication of the potential application of the results of their work and how these would be disseminated. Whilst a number of applications could have been worth the Fund's support the failings in one or more of these areas meant that we were unable to make awards for them.

Support for four new Wildlife Trust projects was given, and support was withdrawn from one previous year's project. The new projects amounted to only £16.5k, as too many proposals amounted to repairing existing facilities rather than creating new ones. It has become our practice to rely mainly on Wildlife Trusts for roadside improvement schemes, and, whilst the Trustees appreciate the collaboration we have built up with these bodies, I would again like to make it clear that the Fund is open to other proposals from organisations for improving the road side amenities for motorists and other road users.

2012 saw a number of changes in government's roads policies. The increased emphasis on rectifying key weaknesses in the national infrastructure, heralded by the Prime Minister's speech in March, seems to have given fresh impetus to improving the nation's road network. However public funds remain scarce and new sources of funding must be sought if progress is to be made. This will require ingenuity by the infrastructure and financial sectors and greater flexibility by government on financing and roads' taxation. There is now evidence of the former but as yet little of the latter. Any proposals that offer a way of helping solving this knotty problem will be looked on by Trustees with particular interest.

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

We report on the accounts of Rees Jeffreys Road Fund for the year ended 31 December 2012, which comprise the Statement of Financial Activities, Balance Sheet and associated notes.

The Report is made solely to the trustees, as a body, in accordance with S.145 of the Charities Act 2011 (the 2011 Act). Our examination has been undertaken so that we might state to the trustees those matters we are required to state 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 trustees as a body, for our examination, for the observations made in this report, or for our opinion of the information presented in these accounts.

Respective responsibilities of trustees and 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 period under section 144 of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is our 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 Commissioners (under section 145(5)(b) of the 2011 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 Charitable Company 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, 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 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 our 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
11 March 2013

Aquis House
49- 51 Blagrove Street
Reading RG1 1PL

REES JEFFREYS ROAD FUND
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	Unrestricted Funds 2012		Unrestricted Funds 2011	
		£	£	£	£
INCOMING RESOURCES					
Investment income					
Interest from securities & dividends		16,613		28,583	
Deposit interest		<u>270</u>		<u>122</u>	
TOTAL INCOMING RESOURCES			<u>16,883</u>		<u>28,705</u>
RESOURCES EXPENDED					
Costs of Generating Funds:					
Investment Management fees			-		-
Charitable Activities:					
Educational bursaries and support for universities		108,142		190,697	
Research and other projects		104,289		46,099	
Roadside rests and land adjoining		<u>12,185</u>		<u>19,434</u>	
	4		224,616		256,230
Governance Costs:					
Meeting expenses		2,213		2,319	
Trustees' travelling expenses		341		875	
Accountancy	6	<u>2,496</u>		<u>2,400</u>	
			<u>5,050</u>		<u>5,594</u>
TOTAL RESOURCES EXPENDED			<u>229,666</u>		<u>261,824</u>
NET OUTGOING RESOURCES BEFORE REVALUATIONS AND INVESTMENT ASSET DISPOSALS					
			(212,783)		(233,119)
(Loss)/Gains on revaluations and disposals of investment assets			<u>752,039</u>		<u>(475,514)</u>
NET MOVEMENT IN FUNDS			539,256		(708,633)
Balances brought forward at 1 January 2012			<u>6,060,588</u>		<u>6,769,221</u>
BALANCES CARRIED FORWARD AT 31 DECEMBER 2012			<u>6,599,844</u>		<u>6,060,588</u>

All activities are continuing.

**REES JEFFREYS ROAD FUND
BALANCE SHEET
31 DECEMBER 2012**

	Notes	2012 £	2011 £
FIXED ASSETS			
Investments	7	6,823,995	6,137,044
CURRENT ASSETS			
Cash at bank and in hand		<u>1,796</u>	<u>160,630</u>
CREDITORS			
Amounts falling due within one year	8	<u>(225,947)</u>	<u>(237,086)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(224,151)</u>	<u>(76,456)</u>
NET ASSETS		<u><u>6,599,844</u></u>	<u><u>6,060,588</u></u>
Represented by:			
RESERVES			
Unrestricted funds:			
Trust Fund		167,374	167,374
Capital Reserve Fund		<u>6,432,470</u>	<u>5,893,214</u>
TOTAL FUNDS		<u><u>6,599,844</u></u>	<u><u>6,060,588</u></u>

Approved by the Trustees on 26 February 2013
and signed on their behalf by:

Stephen Glaister CBE, PhD, FICE, FTRF, FCGI.

REES JEFFREYS ROAD FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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 2012/13 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 2012

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 £341 (2011: £875). No other costs have been reimbursed.

3. SUPPORT COSTS

	Educational bursaries and support	Research and other projects	Roadside rests and land adjoining	Total allocated 2012	<i>Total allocated 2011</i>
	£	£	£	£	£
Secretarial services	8,995	9,506	1,499	20,000	<i>20,000</i>
Office expenses	<u>647</u>	<u>683</u>	<u>108</u>	<u>1,438</u>	<u><i>5,153</i></u>
	<u><u>9,642</u></u>	<u><u>10,189</u></u>	<u><u>1,607</u></u>	<u><u>21,438</u></u>	<u><u><i>25,153</i></u></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 2012	<i>Total 2011</i>
	£	£	£	
Educational bursaries and support	98,500	9,642	108,142	<i>190,697</i>
Research and other projects	94,100	10,189	104,289	<i>46,099</i>
Roadside rests and land adjoining	<u>10,578</u>	<u>1,607</u>	<u>12,185</u>	<u><i>19,434</i></u>
At 31 December 2012	<u><u>203,178</u></u>	<u><u>21,438</u></u>	<u><u>224,616</u></u>	<u><u><i>256,230</i></u></u>

5. ANALYSIS OF GRANTS

	Grants to Institutions	Grants to Individuals	Total 2012	<i>Total 2011</i>
	£	£	£	
Educational bursaries and support	14,500	84,000	98,500	<i>173,307</i>
Research and other projects	86,100	8,000	94,100	<i>40,500</i>
Roadside rests and land adjoining	<u>10,578</u>	<u>-</u>	<u>10,578</u>	<u><i>17,270</i></u>
At 31 December 2012	<u><u>111,178</u></u>	<u><u>92,000</u></u>	<u><u>203,178</u></u>	<u><u><i>231,077</i></u></u>

6. ACCOUNTANCY

	2012	2011
	£	£
Independent Examination	<u><u>2,496</u></u>	<u><u>2,400</u></u>

REES JEFFREYS ROAD FUND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2012

7. UK LISTED INVESTMENTS

	Market Value	Historical Cost
	£	£
At 1 January 2012	6,137,044	6,309,766
Additions	-	-
Disposals	(65,088)	(45,972)
Gains on revaluation	<u>752,039</u>	<u>-</u>
At 31 December 2012	<u>6,823,995</u>	<u>6,290,973</u>

All investments are listed on a recognised stock exchange.

	2012	2011
	£	£
Market value:		
UK investments	1,197,574	1,144,594
Non-UK investments	<u>5,626,421</u>	<u>4,992,450</u>
	<u>6,823,995</u>	<u>6,137,044</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

	2012	2011
	£	£
Grants and projects	223,547	234,686
Accruals	<u>2,400</u>	<u>2,400</u>
	<u>225,947</u>	<u>237,086</u>

	2012		2011	
	£	£	£	£
Movement in Grant commitments				
Commitment brought forward		234,686		190,534
New Grants made	219,020		236,807	
Grants withdrawn	<u>(15,842)</u>		<u>(5,730)</u>	
		203,178		231,077
Payments made		<u>(214,317)</u>		<u>(186,925)</u>
Commitment carried forward		<u>223,547</u>		<u>234,686</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.