

CHARITY NO. 217771)

**REES JEFFREYS ROAD FUND**  
**REGISTERED CHARITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**31 DECEMBER 2014**

**REES JEFFREYS ROAD FUND  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**REES JEFFREYS ROAD FUND**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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The Board of Trustees presents its report together with the financial statements of the charity for the year ended 31 December 2014.

### **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 nine 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 Hutchinson MSC, BTech, FICE, FCIHT (Chairman)  
David Bayliss OBE, FEng.  
M.N.T.Cottell OBE, FEng, FICE, FCIHT (to February 2014)  
Tony Depledge OBE  
Ann Frye OBE, BA, FCILT, FCIHT  
Prof. S. Glaister CBE, PhD, FICE, FTRF, FCGI  
Mary Lewis BA, FCIHT (from April 2014)  
Prof. Mike McDonald BSc, PhD, CEng, FICE, FCILT  
J. Martin Shaw OBE, BA, DIPTP, FRTPI, FCIHT, FRSA  
David Tarrant BSc, CEng, FICE, FCIHT, MCMI, DipTE (from April 2014)

### **Secretary**

Brian Smith BA, CPFA

Professional firms providing services to the charity are:

Bankers:  
CAF Bank  
25 Kings Hill Avenue  
West Malling  
Kent  
ME19 4JQ

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

### **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.

**REES JEFFREYS ROAD FUND**  
**REPORT OF THE TRUSTEES (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**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 2014 Trustees responded to grant applicants against the background of an expenditure guideline of £300,000 set at the first meeting of the year. The overall expenditure on new grants in the year, which before write-backs was very close to that guideline, was the highest for a number of years, as was the total expenditure of £342,000.

Research projects in 2014 showed a significant increase (almost 40%) over the previous year. 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. They therefore decided to adopt a more proactive approach and initiated and commissioned a project 'Major Roads for the Future'. Early in 2015 the Trustees will review the initial outcomes and progress of the project and decide whether to extend the exercise into a further phase.

Education spending remained a high priority for Trustees and was slightly higher than in 2013. Seven bursaries were awarded to post-graduate transport students. Trustees hope that these young men and women 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 as well as a major grant of £40,000 to the CIHT to support their proposal to attract young people into highways and transportation.

Grants for physical projects increased in 2014. Grant aid was provided for six such schemes totalling £28,630, all of them as a result of the Fund's long-standing relationship with Wildlife Trusts.

Our future plans with regards to a study entitled 'Major Roads for the Future' are discussed in the Chairman's statement on page 4. The estimated total cost of this project, if we were to complete all three stages, would be in the region of £190k.

**Public Benefit**

During 2014 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 the year. 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 continue to review the 'public benefit' position during 2015.

**REES JEFFREYS ROAD FUND**  
**REPORT OF THE TRUSTEES (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**Financial Review**

2014 saw the value of the Fund's investments maintained. By the end of the year the Fund's investments were valued at £7.48m, a small increase over the valuation at the beginning of 2014. The Fund is heavily dependent upon its investments, and consequently the Trustees give regular consideration to the Fund's investment strategy. In addition they initiated in 2014 a review of the investment management arrangements which will be completed early in 2015.

The Trust's direct income from its investments and deposit interest (£21,543 in 2014) played a relatively small part in maintaining the Fund's financial strength by comparison with long-term capital appreciation. Grant activity increased in 2014 in overall terms and particularly in the area of research. Governance costs for the year also increased - by approximately £22,300 - most notably as a result of a review of our investment managers and strategy, the recruitment of new Trustees and higher meeting costs.

**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). In 2014 they adopted a more pro-active approach by commissioning a major research project looking ahead to 2040.

Approved by the Trustees and signed on their behalf by:

D Hutchinson  
Trustee  
Date: 2 February 2015

## REES JEFFREYS ROAD FUND CHAIRMAN'S STATEMENT

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December 2014 marked the end of my first year as Chairman, and I would like to express my gratitude to my fellow Trustees and to Brian Smith, our Secretary, for all their help and support during the last year. We were saddened by the death of one of our Trustees, Mike Cottell, during the year after a long period of ill health but delighted to welcome Mary Lewis and David Tarrant as new Trustees.

We held five meetings in the year together with a small subcommittee meeting to consider awards for transport masters' bursaries. Seven awards were made, but the overall response was disappointing and the Trustees undertook to review the process for 2015 to improve its effectiveness. In addition to the masters' bursaries we continued to support two Arkwright Scholarships and, most importantly, we committed a large sum to support the Chartered Institution of Highways & Transportation in providing material to raise the profile of the profession in schools and colleges. Looking ahead, I am confident that the Trustees will continue to place a high priority on helping to make careers in highways & transportation more accessible and to raise awareness of the opportunities.

In 2014 we set out to spend in the region of £300,000. In the event total expenditure on grants was within that guideline. However when support and governance costs are taken into account, the final figure increased to £342,000. A major factor was an increase of more than 40% in expenditure on research projects over the previous year.

Following our decision last year to look at the future road system, a study entitled 'Major Roads for the Future' was commissioned. Work began in September, under the leadership of David Quarmby, to develop a long term vision - to 2040 – of the role and evolution of the major road network in England, taking account of an unusually broad range of factors appropriate to the long term timescale. The study will draw on the advice and knowledge of an Advisory Panel of experts; discussion papers and reports on particular topics will be made available through the newly created study website [www.futureroadsengland.org](http://www.futureroadsengland.org). The Study is being managed by a small Steering Groups which reports to the regular meetings of the Trustees. It is hoped that the Study will inform and influence policy-making in the next Parliament and for the longer term.

The work of the Study commenced in autumn 2014 and is being staged in three parts. At this point the Trustees have agreed funding only for the first part (for £71,800, which is included within the current year's new grants in note 8). They will need to give consideration early in 2015 to extending the project. I very much hope that they will feel able to do so, but it will depend very much upon progress with the first stage.

Finally the Fund depends very much on its investments to pursue its ambitious strategy. 2014 saw a small increase in the value of those investments (from £7.41m to £7.48m) to build upon the growth in previous years. During the year the Trustees decided to undertake a thorough review of the investment management arrangements, and they will be reviewing the outcome of that work early in 2015. I regard this as an important step in securing the financial health of the Fund.

## REES JEFFREYS ROAD FUND

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

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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

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I report on the accounts of Rees Jeffreys Road Fund for the year ended 31 December 2014, 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.

**Janette Joyce**  
**Crowe Clark Whitehill LLP**  
Chartered Accountants

Aquis House  
49- 51 Blagrove Street  
Reading RG1 1PL

17 February 2015

**REES JEFFREYS ROAD FUND**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	Unrestricted Funds 2014		Unrestricted Funds 2013	
		£	£	£	£
<b>INCOMING RESOURCES</b>					
<b>Investment income</b>					
Interest from securities & dividends		18,798		20,695	
Deposit interest		<u>2,745</u>		<u>290</u>	
<b>TOTAL INCOMING RESOURCES</b>			<u><b>21,543</b></u>		<u><b>20,985</b></u>
<b>RESOURCES EXPENDED</b>					
<b>Costs of Generating Funds:</b>					
Investment Management fees			-		-
<b>Charitable Activities:</b>					
Educational bursaries and support for universities		133,903		128,680	
Research and other projects		152,575		113,060	
Roadside rests and land adjoining		<u>28,294</u>		<u>10,852</u>	
	4		314,772		252,592
<b>Governance Costs:</b>					
Meeting expenses		3,305		2,302	
Trustees' travelling expenses		2,183		731	
Review of Investment Managers and strategy		19,920		-	
Accountancy	6	<u>2,544</u>		<u>2,592</u>	
			<u><b>27,952</b></u>		<u><b>5,625</b></u>
<b>TOTAL RESOURCES EXPENDED</b>			<u><b>(342,724)</b></u>		<u><b>(258,217)</b></u>
<b>NET OUTGOING RESOURCES BEFORE REVALUATIONS AND INVESTMENT ASSET DISPOSALS</b>					
			<b>(321,181)</b>		<b>(237,232)</b>
Gains on revaluations and disposals of investment assets			<u><b>338,142</b></u>		<u><b>821,966</b></u>
<b>NET MOVEMENT IN FUNDS</b>			<b>16,961</b>		<b>584,734</b>
Balances brought forward at 1 January 2014			<u><b>7,184,578</b></u>		<u><b>6,599,844</b></u>
<b>BALANCES CARRIED FORWARD AT 31 DECEMBER 2014</b>			<u><b>7,201,539</b></u>		<u><b>7,184,578</b></u>

All activities are continuing.

**REES JEFFREYS ROAD FUND  
BALANCE SHEET  
31 DECEMBER 2014**

	Notes	2014 £	2013 £
<b>FIXED ASSETS</b>			
Investments	7	7,487,766	7,413,846
<b>CURRENT ASSETS</b>			
Cash at bank and in hand		<u>48,453</u>	<u>26,030</u>
<b>CREDITORS</b>			
Amounts falling due within one year	8	<u>(334,680)</u>	<u>(255,298)</u>
<b>NET CURRENT (LIABILITIES)</b>		<u>(286,227)</u>	<u>(229,268)</u>
<b>NET ASSETS</b>		<u>7,201,539</u>	<u>7,184,578</u>
<b>Represented by:</b>			
<b>RESERVES</b>			
<b>Unrestricted funds:</b>			
Trust Fund		167,374	167,374
Capital Reserve Fund		<u>7,034,165</u>	<u>7,017,204</u>
<b>TOTAL FUNDS</b>		<u>7,201,539</u>	<u>7,184,578</u>

Approved by the Trustees on 2 February 2015  
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 2014**

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**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 2014/15 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 2014**

**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 £2,182 (2013: four trustees £731). No other costs have been reimbursed.

**3. SUPPORT COSTS**

	Educational bursaries and support	Research and other projects	Roadside rests and land adjoining	Total allocated 2014	Total allocated 2013
	£	£	£	£	£
Secretarial services	10,287	12,509	2,404	<b>25,200</b>	25,200
Office expenses	<u>1,116</u>	<u>1,357</u>	<u>260</u>	<b><u>2,733</u></b>	<u>1,685</u>
	<u>11,403</u>	<u>13,866</u>	<u>2,664</u>	<b><u>27,933</u></b>	<u>26,885</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 2014	Total 2013
	£	£	£	
Educational bursaries and support	122,500	11,403	<b>133,903</b>	128,680
Research and other projects	138,709	13,866	<b>152,575</b>	113,060
Roadside rests and land adjoining	<u>25,630</u>	<u>2,664</u>	<b><u>28,294</u></b>	<u>10,852</u>
<b>At 31 December 2014</b>	<u>286,839</u>	<u>27,933</u>	<b><u>314,772</u></b>	<u>252,592</u>

**5. ANALYSIS OF GRANTS**

	Grants to Institutions	Grants to Individuals	Total 2014	Total 2013
	£	£	£	
Educational bursaries and support	48,500	74,000	<b>122,500</b>	115,800
Research and other projects	138,800	(91)	<b>138,709</b>	100,141
Roadside rests and land adjoining	<u>25,630</u>	<u>-</u>	<b><u>25,630</u></b>	<u>9,766</u>
<b>At 31 December 2014</b>	<u>212,930</u>	<u>73,909</u>	<b><u>286,839</u></b>	<u>225,707</u>

**6. ACCOUNTANCY**

	2014 £	2013 £
Independent Examination	<u>2,544</u>	<u>2,592</u>

**REES JEFFREYS ROAD FUND**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**7. UK LISTED INVESTMENTS**

	Market Value £	Historical Cost £
At 1 January 2014	7,413,846	6,116,137
Additions	347,714	347,714
Disposals	(611,936)	(384,565)
Gains on revaluation	<u>338,142</u>	<u>-</u>
<b>At 31 December 2014</b>	<b><u>7,487,766</u></b>	<b><u>6,079,286</u></b>

All investments are listed on a recognised stock exchange.

	2014 £	2013 £
Market value:		
UK investments	664,567	1,095,019
Non-UK investments	<u>6,823,199</u>	<u>6,318,827</u>
	<b><u>7,487,766</u></b>	<b><u>7,413,846</u></b>

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

	2014 £	2013 £
Grants and projects	332,160	252,802
Accruals	<u>2,520</u>	<u>2,496</u>
	<b><u>334,680</u></b>	<b><u>255,298</u></b>

Movement in Grant commitments	2014		2013	
	£	£	£	£
Commitment brought forward		252,802		223,547
New Grants made	300,430		241,716	
Grants withdrawn	<u>(13,591)</u>		<u>(16,009)</u>	
		286,839		225,707
Payments made		<u>(207,481)</u>		<u>(196,452)</u>
Commitment carried forward		<b><u>332,160</u></b>		<b><u>252,802</u></b>

**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.