

REGISTERED CHARITY NUMBER: 1015251

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
5 APRIL 2021**

**FOR
DEREK WILLIAMS TRUST**

**Bevan Buckland LLP
Ground Floor
Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA**

DEREK WILLIAMS TRUST

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FOR THE YEAR ENDED 5 APRIL 2021**

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DEREK WILLIAMS TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 5 APRIL 2021

The trustees present their report with the financial statements of the charity for the year ended 5 April 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

By his Will dated 2nd June 1983, Derek Mathias Tudor Williams provided that his collection of art be the subject of charitable disposition with emphasis on securing actual display to the public and that the residue of his estate should be used to enhance the collection. He gave his Trustees absolute discretion to either transfer the collection and his residuary estate to the National Museum of Wales, or to any other charitable organisation which his Trustees considered would most nearly fulfil the objects which he intended to benefit.

The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives, in planning future activities, and setting the grant making policy for the year.

The object of the Charity is to advance Public Education in and appreciation of the Arts through public display and acquisition of Fine Works of Art.

The Trust furthers its charitable purposes for the public benefit through its own purchase of works of art which are made available for public display and by providing grants to fund the purchase of works of art by third parties, which are deemed to be suitable to advance public education in and appreciation of the Arts.

Public benefit

The Trust has established its grant making policy to achieve its objects for the public benefit. The Trust's aim is to advance Public Education in and appreciation of the Arts through public display and acquisition of Fine Works of Art. The Trustees review the grant making policy annually to ensure that it reflects the charity's objects and thereby advances public benefit.

Grantmaking

The beneficiaries of the Trust's grant making programme are the general public, particularly the Welsh public. The annual income arising from the Trust funds, is used to make additions to the Collection, and also to acquire works in partnership with the Museum. The Trust also has previously provided funding for Artistic Commissions and Research, the National Eisteddfod of Wales Purchasing Grant, and the Artes Mundi Purchase Prize. Significant purchases by NMW of works have all been achieved with considerable assistance from the Trust.

In order to maximise these objects, during 1983 a Founding Agreement was entered into with Amgueddfa Cymru/National Museum Wales (NMW) whereby nominated trustees would join with the Museum's Representatives to form the Derek Williams Committee, charged with the enhancement of both the Museum's and the Trust's collection of post 19th Century works of Fine Art. Under the guidance of the Sub-Committee of The Derek Williams Committee known as the Acquisitions and Policy Committee and the museum's own Art Advisory Group, funding is made available as appropriate.

As part of this agreement gallery 15 at the Museum was named "Oriol Derek Williams Gallery", where works of Art acquired by the Trust or via funding made available by the Trust can be displayed, and the uses of which satisfy the criteria laid down in the main objects of this Trust.

In September 2004 a Supplementary Agreement was entered into to set up a Centenary Fund over a five year period in order to acquire major works of Fine Art. Although this Agreement has now expired, the balance of this Fund was finally expended during 2013/14. On 6th May 2011 a revised Agreement was entered into, encompassing all relevant terms of the earlier Agreements. As part of this new Agreement and in order to recognise the ambition of the Trustees to enlarge gallery space within NMW, Galleries 19, 20 and 21 were created as the "Derek Williams Galleries" in addition to Gallery 15 previously mentioned.

In November 2019 a further agreement has been reached with National Museum - Amgueddfa Cymru, which now operates as the substitute for all previous agreements.

DEREK WILLIAMS TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 5 APRIL 2021

ACHIEVEMENT AND PERFORMANCE

Derek Mathias Tudor Williams died on 6th November 1984. His impeccable collection concentrated on British Art of the 1930's, 40's and 50's. The main works in the collection are displayed at NMW and all other works of art are generally curated by NMW. In June 2016 the Trust took possession of over 70 individual ceramics bequeathed out of the estate of the late Anita Besson for the benefit of the Trust at a probate value of £911,350. This adds significantly to the Trust's ceramics collection and ensures that NMW and the public are also able to share in the generous gift.

The success of the Trust's policies are measured by the increase in art work available to be publicly displayed in the year. During the past year the Trustees have expended the sum of £29,956 and £240,000 in grant aid and direct purchase costs respectively. The Trustees consider that these purchases have resulted in the Trust achieving its aims in the year.

The Trust has continued to use its website to publicise its acquisitions and in October 2017 celebrated the 25th anniversary of its foundation through an eleven month exhibition of its own and grant-aided Collections at National Museum Wales. Grants to NMW are to aid their curation of works in the collection of the Trust and in adding further works to NMW's own collection. Since the inception of the Trust in 1992, expenditure on Grant Aid and New Acquisitions has totalled £4,462,015 and £3,315,532 respectively, giving an annual average expenditure of £284,948 in furtherance of the Trust's Objects.

The public display of the Trust's individual Collection occurs mainly at NMW but is not confined to those premises. The Trust has also committed substantial assistance to the Museum in the refurbishment of the West Wing Galleries at Cathays Park, where curation of the Collection is undertaken at the Museum, through the Derek Williams Curator. On 26 September 2020 we celebrated the 25th anniversary of the Trusts formation and founding agreement with The National Museum of Wales by launching our latest publication: 'Art for Wales' The legacy of Derek Williams by David Moore. It was published by Gaffer and the front piece pays tribute to our three original trustees who were all personal friends of Derek Williams: Ivan Sadka OBE, Howard Evans and Joan Winter 'without whose dedication for over twenty-five years to the memory of Derek Williams and his wishes this legacy would not have existed'.

To promote the Trust, its Collection and our special relationship with the National Museum of Wales, the trustees wanted to distribute complimentary copies to educational establishments in Wales, as well as to our key contacts. This has been done and, to date, the book has been well received.

FINANCIAL REVIEW

Financial position

The Trust's Works of Art are included in the accounts at deemed cost. Insurance of those Works held at NMW is covered by the Government Indemnity Scheme.

The Trust's work is reliant on income and returns from its investments. The value of the investments increased during the year by £269,860 and income was generated of £275,672.

At 5th April 2021 the Fund designated for Grant Aid and purchase of Art stood at £572,080 after a further net movement of £140,044. The Trustees consider that the level of this Fund is more than adequate to provide for the Trust's foreseeable forward commitments.

Total reserves stood at £12,504,677, following a net surplus for the year of £478,106.

Investment policy and performance

The Trust's investments are split between Commercial Property (approximately 80% depending on market fluctuation) and a Stock Market Portfolio (approximately 20% depending on market fluctuations). The portfolio was managed by Investec from May 2019 with a policy of medium risk for both income and capital growth.

Property investment is made into good commercial property under the advice of the Trust's surveyors, Gerald Eve & Co, again on a medium risk basis. These properties are then rented out on medium to long-term leases. A valuation carried out at 5 April 2020 by Gerald Eve & Co indicated a significant reduction in the values of the four main commercial properties. The overall valuation, using the market value approach, totalled £2,780,000, a reduction of £1,305,000 during 2019/20, this reduction in value reflected the market uncertainty mainly due to the Covid-19 pandemic. The trustees believe that this valuation also reflects a fair valuation as at 5 April 2021.

Reserves policy

It is the policy of the Trustees to ensure an annual Capital Increment in Net Assets to hedge against inflation and then to utilise surplus realised income to enhance the Designated Fund as shown in Note 12. The funds continued to grow at a rate in excess of inflation and as a result, the sum of £170,000 has been allocated towards the Trust's Designated Fund.

DEREK WILLIAMS TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 6 APRIL 2021

Approved by order of the board of trustees on 25/01/2022 and signed on its behalf by:


.....
Mr Howard John Evans - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF DEREK WILLIAMS TRUST

Opinion

We have audited the financial statements of Derek Williams Trust (the 'charity') for the year ended 5 April 2021 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF DEREK WILLIAMS TRUST

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

Identifying and assessing potential risks related to irregularities.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of management, including obtaining and reviewing supporting documentation, concerning the Charity's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud.
- obtaining an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Charity. The key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the operational rationale of any significant transactions that are unusual or outside the normal course of operations.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
DEREK WILLIAMS TRUST**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



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Date: 25th January 2022

DEREK WILLIAMS TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2021

	Notes	2021 Unrestricted funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM			
Investment income	3	283,077	334,411
EXPENDITURE ON			
Cost of generating funds	4	25,228	100,934
Charitable activities			
Charitable Activities		49,604	140,028
Total		74,832	240,962
Net gains/(losses) on investments		269,861	(1,534,563)
NET INCOME/(EXPENDITURE)		478,106	(1,441,114)
RECONCILIATION OF FUNDS			
Total funds brought forward		12,026,571	13,467,685
TOTAL FUNDS CARRIED FORWARD		12,504,677	12,026,571

The notes form part of these financial statements

DEREK WILLIAMS TRUST

BALANCE SHEET
5 APRIL 2021

	Notes	2021 Unrestricted funds £	2020 Total funds £
FIXED ASSETS			
Heritage assets	7	7,952,381	7,712,381
Investments			
Investments	8	1,292,483	1,053,839
Investment property	9	2,924,500	2,924,500
		<u>12,169,364</u>	<u>11,690,720</u>
CURRENT ASSETS			
Stocks	10	4,323	4,323
Debtors	11	109,275	35,897
Cash at bank		333,943	540,594
		<u>447,541</u>	<u>580,814</u>
CREDITORS			
Amounts falling due within one year	12	(112,228)	(244,963)
NET CURRENT ASSETS		<u>335,313</u>	<u>335,851</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>12,504,677</u>	<u>12,026,571</u>
NET ASSETS		<u>12,504,677</u>	<u>12,026,571</u>
FUNDS	13		
Unrestricted funds		<u>12,504,677</u>	<u>12,026,571</u>
TOTAL FUNDS		<u>12,504,677</u>	<u>12,026,571</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 25/01/2022 and were signed on its behalf by:


Mr Howard John Evans - Trustee


Mr Adrian Myles Davies - Trustee

DEREK WILLIAMS TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 5 APRIL 2021

Principal address
4 Ynys Bridge Court
Gwaelod-y-Garth
Cardiff
CF15 9SS

Trustees
Mrs Joan Winter
Mr John Thomas-Ferrand
Mr Adrian Myles Davies
Mr James Donald Seaton
Mr William Wilkins
Ms Sian Llinos Williams
Mr Brendan Edward James Sadka
Mr Howard John Evans (Executive Trustee)

Auditors
Bevan Buckland LLP
Ground Floor
Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

Bankers
HSBC Bank plc, 16 Ely Valley Road, Talbot Green, CF72 8AP

Legal advisers
Messrs Gabb & Co. Solicitors, 32 Monk Street, Abergavenny, NP7 5NW

Investment advisers
Investec Wealth & Investment Limited, Quatermile One, 15 Lauriston Place, Edinburgh, EH3 9EN

Property advisers
Gerald Eva & Co Chartered Surveyors, 72 Welbeck Street, London, W1G 0AY
Herbert R Thomas, 59 High Street, Cowbridge, CF71 7YL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

DEREK WILLIAMS TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 5 APRIL 2021

FUTURE PLANS

The Trustees have already allocated a sum of £121,000 for purchases and grants since 5th April 2021. Further purchases and grants in satisfying the Trust's main objects continue to be explored, as will the desire to expand the Exhibition programme to several venues throughout the U.K. Regard will also be had to the need for conserving the Trust's resources in to 2021/22.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

The Trust is a registered charity, number 1015251, and is constituted under a trust deed dated 21 October 1992. By his Will dated 2nd June 1983, Derek Mathias Tudor Williams provided that his collection of art be the subject of charitable disposition with emphasis on securing actual display to the public and that the residue of his estate should be used to enhance the collection. He gave his Trustees absolute discretion to either transfer the collection and his residuary estate to the National Museum of Wales, or to any other charitable organisation which his Trustees considered would most nearly fulfil the objects which he intended to benefit.

Induction and training of new trustees

New trustees are appointed in accordance with the original Trust Deed and are revolving members of the Derek Williams Committee. New trustees may only be appointed by the existing Trustees.

At the trustees' meetings, the trustees agree the broad strategy and areas of activity for the Trust, including consideration of grant making, investment, reserves and risk management policies and performance. The Charity has no employees, and the day to day administration of the Trust and all management and administrative facilities and services are provided through Williams Ross Limited, Chartered Accountants, a firm for whom Mr. H.J. Evans acts as a consultant. As executive trustee, Mr. H.J. Evans is responsible for the regular management of the Trust through Williams Ross Limited.

On appointment, new trustees are encouraged to immerse themselves in the history of the Trust, copy trustee board and sub committee minutes, a copy of the last three years' of annual reports and accounts, they are provided with a copy of the governing trust deed and a copy of the Charity Commission's guidance 'The Essential Trustee: What You Need to Know' and 'Public Benefit: running a charity'.

The Trustees have also put in place the necessary insurance cover to protect their responsibilities as Trustees, as agreed with the Charity Commissioners and they consider that they have adequately covered the risks likely to be faced by the Charity through the use of properly qualified professionals in the above areas.

Risk management

The principal risks faced by the Trust lie in the performance of investments, operational risks from ineffective art work purchases and grant awards, and deterioration and damage to works of art.

The trustees consider variability of investment returns constitute the charity's major financial risk. This is mitigated by retaining expert investment managers and having a diversified investment portfolio.

The operational risk from art purchases and grant awards that are ineffective in the advancing public education in and appreciation of the Arts is managed by firstly retaining trustees of sufficient skill and expertise to chair the Derek Williams Committee and secondly through the Trust's partnership with Angueddfa Cymru/National Museum of Wales. By retaining experts active in the field the trustees are assured that their technical knowledge is up to date and that they have the depth of insight to effectively evaluate the grant proposals and requests for assistance in art work purchases and display options.

The risk of deterioration and damage to works of art is mitigated by the partnership with Angueddfa Cymru/National Museum of Wales who maintain and store a large proportion of the works of art and insurance in relation to those works of art held at NMW is covered by the Government Indemnity Scheme. Separate insurance is obtained for other works of art. Those other works of art out on loan are covered by the borrower's own insurance policies in accordance with an appropriate loan agreement.

Property held by trustees

All titles for the properties which belong to the Trust are jointly held in trust by two or more trustees.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1015251

DEREK WILLIAMS TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

1. STATUTORY INFORMATION

Derek Williams Trust is a unincorporated charity registered in England and Wales. The charity's registered number and registered office address can be found in the Reference and Administrative Details section on page 4.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received, the amount can be measured reliably and is recognised in the period to which it relates.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Heritage assets

The works of art donated by the late Derek Williams and depreciation made by the trustees prior to 5 April 2017 have been included in the Balance Sheet at deemed cost under the transitional provisions of FRS 102. Additions after this date are included at cost. Additions or disposals of these assets are made on the advice of the Derek Williams Committee, which coordinates the Trust policy with National Museum guidelines for acquisitions and disposals.

Public access is arranged through National Museum Wales.

No provision is made for depreciation.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

Investments are initially recognised at their transactional value and subsequently measured at their fair value as at the Balance Sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Other investments are accounted for at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

DEREK WILLIAMS TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2021**

2. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from tax on its charitable activities.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the company has a present obligation (legal and constructive) resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

3. INVESTMENT INCOME

	2021	2020
	£	£
Rent receivable	220,831	266,986
Insurance recharged	5,028	6,435
Income from other investments	18,404	16,200
Dividends received	38,811	44,733
Deposit account interest	3	57
	<u>283,077</u>	<u>334,411</u>

DEREK WILLIAMS TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2021**

4. COST OF GENERATING FUNDS

Investment management costs

	2021	2020
	£	£
Portfolio fees	10,876	4,581
Property insurance	5,877	6,097
General management fees	14,668	15,598
Property expenses	(19,425)	64,096
Sundries	2,432	1,082
Bad debts	11,000	9,500
	<u>25,228</u>	<u>100,934</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 5 April 2021 nor for the year ended 5 April 2020.

Trustees' expenses

	2021	2020
	£	£
Trustees' expenses	<u>655</u>	<u>4,579</u>

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £
INCOME AND ENDOWMENTS FROM	
Investment income	334,411
EXPENDITURE ON	
Cost of generating funds	100,934
Charitable activities	
Charitable Activities	140,028
Total	<u>240,962</u>
Net gains/(losses) on investments	(1,534,563)
NET INCOME/(EXPENDITURE)	<u>(1,441,114)</u>
RECONCILIATION OF FUNDS	
Total funds brought forward	13,467,685
TOTAL FUNDS CARRIED FORWARD	<u><u>12,026,571</u></u>

DEREK WILLIAMS TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2021**

7. HERITAGE ASSETS

	Total £
MARKET VALUE	
At 6 April 2020	7,712,381
Additions	<u>240,000</u>
At 5 April 2021	<u>7,952,381</u>
NET BOOK VALUE	
At 5 April 2021	<u>7,952,381</u>
At 5 April 2020	<u>7,712,381</u>

8. FIXED ASSET INVESTMENTS

	2021 £	2020 £
Shares	1,285,717	1,047,073
Other	<u>6,766</u>	<u>6,766</u>
	<u>1,292,483</u>	<u>1,053,839</u>

Additional information as follows:

	Listed investments £
MARKET VALUE	
At 6 April 2020	1,047,073
Additions	53,102
Disposals	(84,319)
Revaluations	<u>269,861</u>
At 5 April 2021	<u>1,285,717</u>
NET BOOK VALUE	
At 5 April 2021	<u>1,285,717</u>
At 5 April 2020	<u>1,047,073</u>

There were no investment assets outside the UK.

Investments (neither listed nor unlisted) were as follows:

	2021 £	2020 £
W H Mathias Bare Trust	<u>6,766</u>	<u>6,766</u>

DEREK WILLIAMS TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2021**

9. INVESTMENT PROPERTY

FAIR VALUE	£
At 6 April 2020	
and 5 April 2021	2,924,500
NET BOOK VALUE	
At 5 April 2021	2,924,500
At 5 April 2020	2,924,500
Fair value at 5 April 2021 is represented by:	
Valuation in 2019	£
Valuation in 2020	(90,630)
Cost	(1,279,500)
	4,294,630
	2,924,500

10. STOCKS

	2021	2020
	£	£
Stocks	4,323	4,323

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	119,371	37,297
Bad debt provision	(20,500)	(9,500)
Other debtors	10,404	3,000
Prepayments	-	5,100
	109,275	35,897

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Taxation and social security	11,503	-
Other creditors	100,725	244,963
	112,228	244,963

13. MOVEMENT IN FUNDS

	At 6.4.20	Net	Transfers	At
	£	movement	between	5.4.21
		in funds	funds	£
		£	£	
Unrestricted funds				
General fund	11,594,535	508,062	(170,000)	11,932,597
Designated Funds	432,036	(29,956)	170,000	572,080
	12,026,571	478,106	-	12,504,677
TOTAL FUNDS	12,026,571	478,106	-	12,504,677

DEREK WILLIAMS TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2021**

13. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	283,077	(44,876)	289,881	508,082
Designated Funds	-	(29,956)	-	(29,956)
	<u>283,077</u>	<u>(74,832)</u>	<u>289,881</u>	<u>478,106</u>
TOTAL FUNDS	<u>283,077</u>	<u>(74,832)</u>	<u>289,881</u>	<u>478,106</u>

Comparatives for movement in funds

	At 6.4.19 £	Net movement in funds £	Transfers between funds £	At 5.4.20 £
Unrestricted funds				
General fund	12,951,359	(1,321,824)	(35,000)	11,594,535
Designated Funds	516,326	(119,290)	35,000	432,036
	<u>13,467,685</u>	<u>(1,441,114)</u>	<u>-</u>	<u>12,026,571</u>
TOTAL FUNDS	<u>13,467,685</u>	<u>(1,441,114)</u>	<u>-</u>	<u>12,026,571</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	334,411	(121,872)	(1,534,563)	(1,321,824)
Designated Funds	-	(119,290)	-	(119,290)
	<u>334,411</u>	<u>(240,962)</u>	<u>(1,534,563)</u>	<u>(1,441,114)</u>
TOTAL FUNDS	<u>334,411</u>	<u>(240,962)</u>	<u>(1,534,563)</u>	<u>(1,441,114)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 6.4.19 £	Net movement in funds £	Transfers between funds £	At 5.4.21 £
Unrestricted funds				
General fund	12,951,359	(813,762)	(205,000)	11,932,597
Designated Funds	516,326	(149,246)	205,000	572,080
	<u>13,467,685</u>	<u>(963,008)</u>	<u>-</u>	<u>12,504,677</u>
TOTAL FUNDS	<u>13,467,685</u>	<u>(963,008)</u>	<u>-</u>	<u>12,504,677</u>

DEREK WILLIAMS TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2021**

13. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	617,488	(188,548)	(1,264,702)	(813,762)
Designated Funds	-	(149,246)	-	(149,246)
	<u>617,488</u>	<u>(315,794)</u>	<u>(1,264,702)</u>	<u>(963,008)</u>
TOTAL FUNDS	<u>617,488</u>	<u>(315,794)</u>	<u>(1,264,702)</u>	<u>(963,008)</u>

Designated Fund

These funds are available to finance future purchases of art work and/or the making of grants to further the Trust's objectives.

14. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 5 April 2021.

DEREK WILLIAMS TRUST
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2021

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Investment income		
Rent receivable	220,831	286,986
Insurance recharged	5,028	6,435
Income from other investments	18,404	16,200
Dividends received	38,811	44,733
Deposit account interest	3	57
	<u>283,077</u>	<u>334,411</u>
Total incoming resources	283,077	334,411
EXPENDITURE		
Investment management costs		
Portfolio fees	10,676	4,561
Property insurance	5,877	6,097
General management fees	14,668	15,598
Property expenses	(19,425)	84,096
Sundries	2,432	1,082
Bad debts	11,000	9,500
	<u>25,228</u>	<u>100,934</u>
Charitable activities		
Grants to institutions	29,956	119,290
Support costs		
Management		
Trustees' expenses	655	4,579
Management fees	4,996	5,315
	<u>5,651</u>	<u>9,894</u>
Finance		
Bank charges	10	-
Governance costs		
Auditors' remuneration	8,000	4,580
Insurance	991	969
Management Fees	4,996	5,315
	<u>13,987</u>	<u>10,844</u>
Total resources expended	74,832	240,962
Net Income before gains and losses	208,245	93,449
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	269,861	(255,063)
Realised gains/(losses) on investment property	-	(1,279,500)
Net income/(expenditure)	<u>478,106</u>	<u>(1,441,114)</u>

This page does not form part of the statutory financial statements