

THE JGW PATTERSON FOUNDATION

England & Wales · Charity number 1094086

Details

Other names	JGWP LIMITED, THE JWG PATTERSON FOUNDATION
Status	Registered
Legal form	Charitable company
Company number	04388927
Registered	2002-10-08
Register	View on the Charity Commission register

Contact

Address	Sintons The Cube Barrack Road Newcastle Upon Tyne NE4 6DB
Phone	01912267878
Email	pippa.aitken@sintons.co.uk
Website	jgwpattersonfoundation.co.uk

Activities

Objects: (a) To advance the education of the public by provisions of grants to fund research into Rheumatology, Cancer and the relief of Arthritis and to disseminate the useful results thereof. (b) The provision of equipment or grants for equipment and/or caring services to assist with the relief of sickness caused by Rheumatological problems, Arthritis and/or Cancer, such equipment or grants for equipment and/or caring services not normally being provided by the Local Health Authority. The above to be carried out in the areas covered by the NHS North East and North Cumbria Integrated Care Board, namely: Borough of Allerdale, City of Carlisle, Borough of Copeland (partial), County of Durham, Borough of Darlington, District of Eden, Borough of Gateshead, Borough of Hartlepool, Borough of Middlesbrough, City of Newcastle-upon-Tyne, Borough of North Tyneside, County of Northumberland, Borough of Redcar and Cleveland, Borough of South Tyneside, Borough of Stockton-on-Tees and City of Sunderland.

Activities: The provision of grants to fund research into rheumatology, cancer and the relief of arthritis. The provision of equipment or grants for equipment and / or caring services to assist with the relief of sickness caused by rheumatological problems, arthritis and / or cancer, such equipment or grants for equipment and / or caring services not normally being provided by the Local Health Authority.

Classification

- **How:** Makes Grants To Organisations, Sponsors Or Undertakes Research
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** IN ANY PART OF THE NORTH EAST OF ENGLAND INCLUDING AND WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING THE AREAS OF TYNE AND WEAR, NORTHUMBERLAND, DURHAM AND CUMBRIA.
- Cumbria
- Darlington
- Durham
- Gateshead
- Newcastle Upon Tyne City
- North Tyneside
- Northumberland
- Redcar And Cleveland
- South Tyneside
- Sunderland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£807,195	£1,040,660	£19,168,231	0
2024-03-31	£907,971	£1,120,669	£18,717,383	0
2023-03-31	£982,817	£949,586	£18,349,914	0
2022-03-31	£954,172	£1,043,542	£18,992,323	0
2021-03-31	£967,169	£916,616	£19,250,006	0

Trustees

Name	Role	Appointed
Alan Gordon Dawson		2023-03-01
Elizabeth Ruth Plummer		2025-09-10
MR D R GOLD		
PROFESSOR TIMOTHY EDWARD CAWSTON		
Professor David Alan Young		2020-02-12
Professor Steven Curtis Clifford		2020-02-12
STEPHEN THOMAS GILROY		

THE JGW PATTERSON FOUNDATION

England & Wales - Charity number 1094086

Accounts

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

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THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2025**

Trustees	S T Gilroy Prof Sir A W Craft, Chairman D R Gold Prof T E Cawston Prof S C Clifford Prof D A Young Mr A G Dawson Prof E R Plummer (appointed 10 September 2025)
Company registered number	04388927
Charity registered number	1094086
Registered office	The Cube Barrack Road Newcastle upon Tyne NE4 6DB
Company secretary	Mrs P Aitken
Independent auditor	Stephenson Coates Audit Limited West 2 Asama Court Newcastle Business Park Newcastle upon Tyne NE4 7YD
Bankers	Handelsbanken plc Earl Grey House 75-85 Grey Street Newcastle upon Tyne NE1 6EF
Solicitors	Sintons LLP The Cube Barrack Road Newcastle upon Tyne NE4 6DB
Website	https://jgwpattersonfoundation.co.uk

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Managing Agents	Naylors Gavin Black LLP: One Strawberry Lane, Newcastle upon Tyne, NE1 4BX LSH Residential: 55 Wells Street, London, W1T 3PT
Accountants	Armstrong Watson LLP One Strawberry Lane Newcastle upon Tyne NE1 4BX
Investment Advisers	LGT Wealth Management 14 Cornhill London EC3V 3NR

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

The trustees present their annual report together with the audited financial statements of the charity for the 1 April 2024 to 31 March 2025. The Annual Report serves the purposes of both a trustees' report and a directors' report under company law. The trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The aim of The JGW Patterson Foundation is to advance the education of the public by the provision of grants to fund research into rheumatology, cancer and the relief of arthritis and to disseminate the useful results thereof. The objects also include the provision of equipment or grants for equipment and / or caring services to assist with the relief of sickness caused by rheumatological problems, arthritis and / or cancer, such equipment or grants for equipment and / or caring services not normally being provided by the Local Health Authority. The objects are to be carried out in the areas covered by the NHS North East and North Cumbria Integrated Care Board.

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)' and are confident that this is achieved through the grants made.

b. Grant making policy

Under the terms of the charity's memorandum and articles of association, the trustees may expend the funds of the charity in such manner as they consider most beneficial for the achievement of the objects set out above.

The area of benefit is the North East of England, including Tyne and Wear, Northumberland, Durham, Middlesbrough, Sunderland, Stockton-on-Tees, Redcar and Cleveland and Cumbria.

Applications are invited from organisations and individuals within the relevant fields. The charity will support both clinical and laboratory research which is designed to further the understanding of disease, improve treatment, or promote best practice. Research grant applications are subject to peer review.

The trustees will consider these applications and grants will be made where it is thought most appropriate and effective. It is a condition of funding that the trustees receive regular reports on the use of the funds and the results of the research.

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Achievements and performance

a. Main achievements of the charity

The charity has continued to support research that aims to understand the causes of arthritis in order to devise new and effective treatments and has awarded grants that aim to investigate mechanisms relevant to both osteoarthritis and rheumatoid arthritis. Some projects have led to further funding from National Bodies and Newcastle now hosts both Programme and Centre grants from Medical Research Council, Versus Arthritis (formerly Arthritis Research UK) and the Dunhill Medical Trust. Grants have also been made to charities that focus on arthritis patient care.

The cancer projects are mainly carried out in the Newcastle University Centre for Cancer. The overall aim of the Centre is to understand better the biology of cancer in order to tailor treatment to individuals, and to identify targets within the cancers where it might be possible to develop new cancer drugs. Medicinal chemistry is an integral part of many projects. Each year the charity gives small grants to local hospices for caring services and the provision of equipment to enhance the lives of patients whom they care for.

For both rheumatology and cancer, the charity funds short term pump-priming projects, many of which go on to attract major national funding. The charity also funds PhD students to encourage the best young graduates to develop a career in research. It has established two PhD arthritis studentships and three PhD cancer studentships in memory of Andrew Walker, Peter May and Philip Robson, founding trustees of The JGW Patterson Foundation.

Most of our grants go to Newcastle University, but we have also funded Northumbria University and the University of Durham.

Total grants payable in the year amounted to £756,573 as shown in note 6 to the financial statements. Of this total, 33% was for research into rheumatology and arthritis, 61% for cancer research and the remaining 6% for hospices and cancer patient care.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

It is the policy of the charity to maintain unrestricted funds not invested in fixed assets (the free reserves) at an appropriate level to cover any gap that may arise between investment income and grants payable and other expenditure. In recent years, the target level of reserves has been set at £100,000.

There were no free reserves at 31 March 2025 (£36,789) (2024: £111,263) which did not meet the target level. The policy and reserves position will continue to be reviewed each financial year.

c. Financial review

The principal sources of unrestricted income comprised rents, dividends and interest receivable amounting to £807,195 (2024: £907,971). Grants payable in the year were £756,573 (2024: £801,448), creating net expenditure of £148,052 (2024: net expenditure of £135,420).

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

d. Investments policy and performance

The memorandum and articles of association permit the charity to acquire and to charge or otherwise dispose of property and to invest funds in any manner as the trustees may see fit.

The charity has a detailed investment policy with the aim of achieving appropriately diversified investments. The managing agent advises on a property portfolio of £7.3 million, comprising approximately £1.7 million for residential and £5.6 million for commercial properties. External managers advise on an investment portfolio of approximately £11.3 million.

The total return for the year on the investment portfolio was -0.2% (2024: 10.2%) compared with the benchmark of 5.2% (2024: 14.6%).

Structure, governance and management

a. Constitution

The JGW Patterson Foundation is registered as a charitable company limited by guarantee, incorporated on 7 March 2002 and registered as a charity on 8 October 2002. It is governed by its memorandum and articles of association.

b. Methods of appointment or election of trustees

The charity may by ordinary resolution appoint, and the trustees may co-opt, any person either to fill a vacancy or as an additional trustee, but a co-opted trustee holds office only until the next AGM. At each AGM, one third of the trustees retire by rotation. The trustees appoint one of their number to be the chairman of their meetings.

The trustees for the purpose of charity law, who are also directors for the purpose of company law, who served during the year and up to the date of this report are set out on page 1.

c. Organisational structure and decision-making policies

The charity is managed by the trustees, who meet quarterly. The number of trustees may not be less than three, but is not subject to any maximum. The quorum for the transaction of business is one third of the trustees or two trustees, whichever is greater. Investment and property sub-committees have been established, with three trustees sitting on each sub-committee.

d. Policies adopted for the induction and training of trustees

New trustees are briefed on the powers and responsibilities of the trustees and the sub-committees, the grant making process, investments and the recent financial performance of the charity.

e. Risk management

The trustees have carried out a detailed risk assessment to identify the major governance, financial, operational and compliance risks which the charity faces and this is reviewed each year. Procedures have been established to enable the trustees to monitor and mitigate those risks.

Plans for future periods

New grant applications continue to be considered with reference to the charity's available income.

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Statement of trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial . Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 and 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 Companies Act 2006. 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.

Disclosure of information to auditor

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Approved by order of the members of the board of trustees and signed on their behalf by:

D R Gold

Trustee

Date: 23 December 2025

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE JGW PATTERSON FOUNDATION

Opinion

We have audited the financial statements of The JGW Patterson Foundation (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure 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 Companies Act 2006

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charitable company'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.

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE JGW PATTERSON FOUNDATION
(CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we required for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE JGW PATTERSON FOUNDATION
(CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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 an Auditor's Report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant identified that directly affect the financial statements include financial reporting legislation (including related companies' legislation), the Charities Act 2011 and UK taxation legislation. The charitable company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Health and Safety, Employment Law and Data Protection regulations, recognising the nature of the charitable company's activities.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquiries of trustees and Key Management Personnel as to where they consider there to be susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override, including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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 Auditor's Report.

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE JGW PATTERSON FOUNDATION
(CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with the Companies Act 2006, Chapter 3, Part 16. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's Report and for no other purpose.

John Oswald (Senior statutory auditor)
For and on behalf of Stephenson Coates Audit Limited
West 2
Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

23 December 2025

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2025**

	Note	Unrestricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:					
Investments	4	807,195	-	807,195	907,971
Total income		807,195	-	807,195	907,971
Expenditure on:					
Raising funds	5	133,294	85,413	218,707	278,195
Charitable activities		821,953	-	821,953	842,474
Total expenditure		955,247	85,413	1,040,660	1,120,669
Net gains on investments		-	684,313	684,313	580,167
Net movement in funds		(148,052)	598,900	450,848	367,469
Reconciliation of funds:					
Total funds brought forward		111,263	18,606,120	18,717,383	18,349,914
Net movement in funds		(148,052)	598,900	450,848	367,469
Total funds carried forward		(36,789)	19,205,020	19,168,231	18,717,383

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 15 to 25 form part of these financial statements.

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

**SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2025**

	Note	Total funds 2025 £	Total funds 2024 £
Gross income		807,195	907,971
Less: Total expenditure		(955,247)	(1,043,391)
Net expenditure/(income) for the year		(148,052)	(135,420)

All income and expenditure derives from continuing activities.

Total income of £807,195 (2024: £907,971) comprises unrestricted income only. A detailed analysis of income by source is provided in the statement of financial activities.

Detailed analysis of expenditure is provided in the statement of financial activities and notes 5 to 8.

The summary income and expenditure account is derived from the statement of financial activities on page 11 and excludes all income and expenditure on the Endowment Fund. The statement of financial activities, together with the notes on pages 15 to 25, provides full information on the movements during the year on all funds of the charity.

The notes on pages 15 to 25 form part of these financial statements.

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)
REGISTERED NUMBER: 04388927

BALANCE SHEET
AS AT 31 MARCH 2025

	Note	2025 £	2024 £
Fixed assets			
Investments	11	18,592,605	17,460,789
		<u>18,592,605</u>	<u>17,460,789</u>
Current assets			
Debtors	12	284,095	699,290
Cash at bank and in hand		476,602	717,914
		<u>760,697</u>	<u>1,417,204</u>
Creditors: amounts falling due within one year	13	(185,071)	(160,610)
		<u>575,626</u>	<u>1,256,594</u>
Net current assets		<u>575,626</u>	<u>1,256,594</u>
Total assets less current liabilities		<u>19,168,231</u>	<u>18,717,383</u>
Total net assets		<u><u>19,168,231</u></u>	<u><u>18,717,383</u></u>
Charity funds			
Endowment funds	14	19,205,020	18,606,120
Unrestricted funds	14	(36,789)	111,263
Total funds		<u><u>19,168,231</u></u>	<u><u>18,717,383</u></u>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:

D R Gold

Trustee

Date:

23 December 2025

The notes on pages 15 to 25 form part of these financial statements.

THE JGW PATTERSON FOUNDATION
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025**

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash used in operating activities	16	(601,004)	(1,384,160)
Cash flows from investing activities			
Dividends, interests and rents from investments		807,195	907,971
Proceeds from sale of investments		3,653,771	2,953,464
Purchase of investments		(4,134,281)	(2,054,540)
Net cash provided by investing activities		326,685	1,806,895
Change in cash and cash equivalents in the year		(274,319)	422,735
Cash and cash equivalents at the beginning of the year		963,337	540,602
Cash and cash equivalents at the end of the year	17	689,018	963,337

The notes on pages 15 to 25 form part of these financial statements

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. General information

The charity is a company limited by guarantee and has no share capital. It is registered in England and Wales. The address of the registered office is The Cube, Barrack Road, Newcastle upon Tyne, NE4 6DB. The liability of each member in the event of winding up is limited to £10.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes. They have been prepared in accordance with 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 - Charities SORP FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The JGW Patterson Foundation meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling which is the functional and presentational currency of the charity.

2.2 Going concern

The charity has reviewed its cash flow forecasts and there is a reasonable expectation that it has adequate resources to continue in operational existence for at least the next twelve months and on this basis the charity is considered to be a going concern.

2.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The following specific policies are applied to particular categories of income:

Investment income such as dividends and interest are included when receivable.

Income from charitable activities includes income from rents and service charges which are recognised on a straight-line basis over the term of the lease.

THE JGW PATTERSON FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure on raising funds comprises those costs relating to financing, managing and maintaining the investment properties and certain legal and professional fees.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs. Where support costs relate to more than one activity, they are allocated on the basis of time spent.

Grants payable are recorded once the charity has made an unconditional commitment to pay the grant which is communicated to the beneficiary or the grant has been paid, whichever is the earlier. Grants offered subject to conditions which have not been met at the balance sheet date are noted as a commitment, but not provided as expenditure.

Governance costs represents expenditure incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

2.5 Investments

Fixed asset listed investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date using the closing quoted market value using the bid price. Investment gains and losses, whether realised or unrealised, are combined and presented as 'gains/(losses) on investments' in the statement of financial activities in the funds in which the investments are held.

The charity classifies land and buildings as investment properties when they are held to earn rentals or for capital appreciation, or both. Investment properties are initially measured at cost which comprises the purchase price and any directly attributable expenditure. Investment properties are subsequently remeasured to fair value (which for this purpose is market value) at each reporting date with changes in the fair value recognised in the statement of financial activities.

2.6 Cash at bank and in hand

Cash at bank includes a current account, a deposit account and a 95 day notice business savings account.

2.7 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.8 Financial instruments

With the exception of investments described above, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement value.

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

2. Accounting policies (continued)

2.9 Fund accounting

General funds are unrestricted income funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

The unrestricted income fund is credited with the investment income arising from the charity's investments and is charged with grants made by the charity, costs of raising funds and support and governance costs. Any surplus on the income fund is carried forward and available for future grants.

The endowment fund represents donations made by Mr JGW Patterson during his lifetime and a legacy from his estate following his death. Although the endowment fund is expendable at the trustees' discretion, a grant made out of capital would normally involve the sale of investments and would only be made in exceptional circumstances.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical judgements made by the trustees that have a significant effect on the amounts recognised in the financial statements are in respect of the fair value of investment properties and listed investment valuations.

4. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Rent receivable	499,693	499,693	664,920
Dividends and interest receivable	281,288	281,288	229,617
Interest receivable on cash deposits	26,214	26,214	13,434
	807,195	807,195	907,971

THE JGW PATTERSON FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

5. Expenditure on raising funds

Investment management costs

	Unrestricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Total funds 2024 £
Property management fees	39,649	-	39,649	61,369
Property repairs and maintenance	54,924	-	54,924	65,093
Property rates and water	2,042	-	2,042	5,558
Property insurance	18,016	-	18,016	31,220
Irrecoverable rent arrears	-	-	-	3,251
Investment management fees	8,943	80,491	89,434	72,968
Legal fees	9,720	-	9,720	33,231
Accountancy fees	-	4,922	4,922	5,505
	<u>133,294</u>	<u>85,413</u>	<u>218,707</u>	<u>278,195</u>
<i>Total 2024</i>	<u><u>200,917</u></u>	<u><u>77,278</u></u>	<u><u>278,195</u></u>	

6. Grants

		2025 £	2024 £
Analysis of grants	No.		
Rheumatology and arthritis research	5	248,253	286,227
Cancer research	10	463,357	403,286
Hospice and cancer patient care	2	44,963	111,935
	17	<u>756,573</u>	<u>801,448</u>

THE JGW PATTERSON FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

7. Grants (continued)

		2025	2024
		£	£
Recipients of institutional grants	No.		
Newcastle University	16	746,573	689,744
Butterwick Hospice	1	10,000	-
St Oswalds Hospice		-	21,730
St Cuthbert's Hospice		-	19,689
Eden Valley Hospice		-	15,580
HospiceCare North Northumberland		-	15,000
Marie Curie		-	12,500
St Teresa's Hospice		-	10,000
Teeside Hospice		-	7,500
Hospice at Home West Cumbria		-	6,936
Willow Foundation		-	3,000
Cancer Research		-	(231)
		756,573	801,448

THE JGW PATTERSON FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

8. Analysis of expenditure by activities

	Grant funding of activities 2025 £	Support costs 2025 £	Total funds 2025 £	Total funds 2024 £
Charitable activities	756,573	65,380	821,953	842,474
<i>Total 2024</i>	<i>801,448</i>	<i>41,026</i>	<i>842,474</i>	

Analysis of support costs

	Total funds 2025 £	Total funds 2024 £
Legal fees (grant making support)	18,580	17,332
Accountancy fees (grant making support)	9,845	8,438
Administrative support	3,109	(18,000)
Website costs (grant making support)	335	299
Bank charges (governance)	767	548
Trustees' indemnity insurance (governance)	6,470	7,983
Audit fees (governance)	4,536	4,459
VAT surcharges and interest (governance)	-	295
Legal fees (governance)	4,645	4,333
Accountancy fees (governance)	17,093	15,339
	65,380	41,026

9. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £4,536 (2024 - £4,320).

10. Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 March 2025, no trustee expenses have been incurred (2024 - £NIL).

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

11. Fixed asset investments

	Listed investments £	Investment properties £	Cash held for investment £	Total £
Cost or valuation				
At 1 April 2024	10,010,366	7,205,000	245,423	17,460,789
Additions	4,134,280	-	4,193,105	8,327,385
Disposals	(2,969,304)	(800,000)	(4,226,112)	(7,995,416)
Revaluations	(73,654)	873,500	-	799,846
	<u>11,101,688</u>	<u>7,278,500</u>	<u>212,416</u>	<u>18,592,604</u>
At 31 March 2025	<u>11,101,688</u>	<u>7,278,500</u>	<u>212,416</u>	<u>18,592,604</u>
Net book value				
At 31 March 2025	<u>11,101,688</u>	<u>7,278,500</u>	<u>212,416</u>	<u>18,592,604</u>
At 31 March 2024	<u>10,010,366</u>	<u>7,205,000</u>	<u>245,423</u>	<u>17,460,789</u>

The historical cost of listed investments at 31 March 2025 was £8,749,176 (2024: £7,270,466).

The historical cost of investment properties at 31 March 2025 was £5,401,248 (2024: £6,641,462).

All investments are carried at their fair value. Investments in equities and fixed interest securities are all traded in quoted public markets. The basis of fair value for quoted investments is equivalent to the market value using the bid price.

The investment properties were valued at a fair value of £7,278,500 by Naylor's Gavin Black, Chartered Surveyors in August 2025. The trustees consider that this valuation is appropriate to use at 31 March 2025.

12. Debtors

	2025 £	2024 £
Due within one year		
Other debtors	277,293	584,342
Prepayments and accrued income	6,802	114,948
	<u>284,095</u>	<u>699,290</u>

Other debtors comprises rents due of £167,461 (2024: £151,729), funds held by the managing agent of £47,766 (2024: £178,712) and dividends and interest receivable of £62,066 (2024: £253,901).

THE JGW PATTERSON FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

13. Creditors: Amounts falling due within one year

	2025 £	2024 £
Trade creditors	15,829	20,095
Value added tax	852	6,153
Other creditors	4,453	5,078
Accruals and deferred income	128,974	129,284
Grants payable	34,963	-
	<u>185,071</u>	<u>160,610</u>

Included within accruals and deferred income is £61,965 (2024: £79,562) in respect of rental income receivable in advance of the period to which it relates.

14. Statement of funds

Statement of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2025 £
Unrestricted funds					
General Funds	111,263	807,195	(955,247)	-	(36,789)
	<u>111,263</u>	<u>807,195</u>	<u>(955,247)</u>	<u>-</u>	<u>(36,789)</u>
Endowment funds					
Endowment Fund	18,606,120	-	(85,413)	684,313	19,205,020
	<u>18,606,120</u>	<u>-</u>	<u>(85,413)</u>	<u>684,313</u>	<u>19,205,020</u>
Total of funds	<u>18,717,383</u>	<u>807,195</u>	<u>(1,040,660)</u>	<u>684,313</u>	<u>19,168,231</u>

THE JGW PATTERSON FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

14. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2024 £</i>
Unrestricted funds					
General Funds	246,683	907,971	(1,043,391)	-	111,263
Endowment funds					
Endowment Fund	18,103,231	-	(77,278)	580,167	18,606,120
Total of funds	<u>18,349,914</u>	<u>907,971</u>	<u>(1,120,669)</u>	<u>580,167</u>	<u>18,717,383</u>

15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £
Fixed asset investments	-	18,592,605	18,592,605
Current assets	129,444	631,253	760,697
Creditors due within one year	(166,233)	(18,838)	(185,071)
Total	<u>(36,789)</u>	<u>19,205,020</u>	<u>19,168,231</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2024 £</i>	<i>Endowment funds 2024 £</i>	<i>Total funds 2024 £</i>
Fixed asset investments	-	17,460,789	17,460,789
Current assets	252,952	1,164,252	1,417,204
Creditors due within one year	(141,689)	(18,921)	(160,610)
Total	<u>111,263</u>	<u>18,606,120</u>	<u>18,717,383</u>

THE JGW PATTERSON FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2025 £	2024 £
Net income for the year (as per Statement of Financial Activities)	450,848	367,469
Adjustments for:		
(Gains)/losses on investments	(684,313)	(580,167)
Dividends, interests and rents from investments	(807,195)	(907,971)
Decrease/(increase) in debtors	415,195	(224,109)
Increase/(decrease) in creditors	24,461	(39,382)
Net cash used in operating activities	(601,004)	(1,384,160)

17. Analysis of cash and cash equivalents

	2025 £	2024 £
Cash with current accounts	48,222	199,562
Cash with deposit accounts	428,380	518,352
Cash held by investment adviser (note 11)	212,416	245,423
Total cash and cash equivalents	689,018	963,337

18. Analysis of changes in net debt

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash at bank and in hand	717,914	(241,312)	476,602
	717,914	(241,312)	476,602

THE JGW PATTERSON FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

19. Grant commitments

	2025 £	<i>2024</i> £
Commitments payable in under 1 year	254,149	562,477
Commitments payable in over 1 year	291,080	436,624
Amount of commitments as at 31 March 2025	545,229	999,101

These grant commitments are not provided as liabilities in the financial statements. The amounts represent future amounts of research grants offered at the balance sheet date, which are subject to ongoing reviews and are payable out of future income, or are for research projects which have been agreed to commence after the balance sheet date.

20. Related party transactions

The charity considers its key management personnel to be the trustees.

Accountancy fees of £31,860 (2024: £29,982) were payable to Armstrong Watson LLP the charity's accountants. Mr D R Gold is a member of Armstrong Watson LLP.

£28,733 (2024: £50,276) of legal and professional fees were payable to Sintons LLP, the charity's solicitors. Mr A G Dawson is a member of Sintons LLP.

Payment of professional charges is permitted under paragraph 5(1) of the charity's memorandum of association.

Accounts

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

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THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2024**

Trustees	S T Gilroy Prof Sir A W Craft, Chairman D R Gold Prof T E Cawston J C Dias (resigned 17 May 2023) Prof S C Clifford Prof D A Young Mr A G Dawson
Company registered number	04388927
Charity registered number	1094086
Registered office	The Cube Barrack Road Newcastle upon Tyne NE4 6DB
Company secretary	Mrs P Aitken
Independent auditor	Stephenson Coates Audit Limited West 2 Asama Court Newcastle Business Park Newcastle upon Tyne NE4 7YD
Bankers	Handelsbanken plc Earl Grey House 75-85 Grey Street Newcastle upon Tyne NE1 6EF
Solicitors	Sintons LLP The Cube Barrack Road Newcastle upon Tyne NE4 6DB
Website	https://jgwpattersonfoundation.co.uk

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Managing Agent	Lambert Smith Hampton Suite One St Ann's Quay Newcastle upon Tyne NE1 3BD
Accountants	Armstrong Watson LLP One Strawberry Lane Newcastle upon Tyne NE1 4BX
Investment Advisers	LGT Wealth Management 14 Cornhill London EC3V 3NR

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their annual report together with the audited financial statements of the charity for the year 1 April 2023 to 31 March 2024. The Annual Report serves the purposes of both a trustees' report and a directors' report under company law. The trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The aim of The JGW Patterson Foundation is to advance the education of the public by the provision of grants to fund research into rheumatology, cancer and the relief of arthritis and to disseminate the useful results thereof. The objects also include the provision of equipment or grants for equipment and / or caring services to assist with the relief of sickness caused by rheumatological problems, arthritis and / or cancer, such equipment or grants for equipment and / or caring services not normally being provided by the Local Health Authority. The objects are to be carried out in the areas covered by the NHS North East and North Cumbria Integrated Care Board.

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)' and are confident that this is achieved through the grants made.

b. Grant making policy

Under the terms of the charity's memorandum and articles of association, the trustees may expend the funds of the charity in such manner as they consider most beneficial for the achievement of the objects set out above.

The area of benefit is the North East of England, including Tyne and Wear, Northumberland, Durham, Middlesbrough, Sunderland, Stockton-on-Tees, Redcar and Cleveland and Cumbria.

Applications are invited from organisations and individuals within the relevant fields. The charity will support both clinical and laboratory research which is designed to further the understanding of disease, improve treatment, or promote best practice. Research grant applications are subject to peer review.

The trustees will consider these applications and grants will be made where it is thought most appropriate and effective. It is a condition of funding that the trustees receive regular reports on the use of the funds and the results of the research.

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Achievements and performance

a. Main achievements of the charity

The charity has continued to support research that aims to understand the causes of arthritis in order to devise new and effective treatments and has awarded grants that aim to investigate mechanisms relevant to both osteoarthritis and rheumatoid arthritis. Some projects have led to further funding from National Bodies and Newcastle now hosts both Programme and Centre grants from Medical Research Council, Versus Arthritis (formerly Arthritis Research UK) and the Dunhill Medical Trust. Grants have also been made to charities that focus on arthritis patient care.

The cancer projects are mainly carried out in the Newcastle University Centre for Cancer. The overall aim of the Centre is to understand better the biology of cancer in order to tailor treatment to individuals, and to identify targets within the cancers where it might be possible to develop new cancer drugs. Medicinal chemistry is an integral part of many projects. Each year the charity gives small grants to local hospices for caring services and the provision of equipment to enhance the lives of patients whom they care for.

For both rheumatology and cancer, the charity funds short term pump-priming projects, many of which go on to attract major national funding. The charity also funds PhD students to encourage the best young graduates to develop a career in research. It has established two PhD arthritis studentships and three PhD cancer studentships in memory of Andrew Walker, Peter May and Philip Robson, founding trustees of The JGW Patterson Foundation.

Most of our grants go to Newcastle University, but we have also funded Northumbria University and the University of Durham.

Total grants payable in the year amounted to £801,448 as shown in note 6 to the financial statements. Of this total, 36% was for research into rheumatology and arthritis, 50% for cancer research and the remaining 14% for hospices and cancer patient care.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

It is the policy of the charity to maintain unrestricted funds not invested in fixed assets (the free reserves) at an appropriate level to cover any gap that may arise between investment income and grants payable and other expenditure. In recent years, the target level of reserves has been set at £100,000.

The free reserves at 31 March 2024 were £111,263 (2023: £246,683) which met the target level. The policy and reserves position will continue to be reviewed each financial year.

c. Financial review

The principal sources of unrestricted income comprised rents, dividends and interest receivable amounting to £907,971 (2023: £982,817). Grants payable in the year were £801,448 (2023: £582,488), creating net expenditure of £135,420 (2023: net income of £99,762).

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

d. Investments policy and performance

The memorandum and articles of association permit the charity to acquire and to charge or otherwise dispose of property and to invest funds in any manner as the trustees may see fit.

The charity has a detailed investment policy with the aim of achieving appropriately diversified investments. The managing agent advises on a property portfolio of £7.2 million, comprising approximately £2.0 million for residential and £5.2 million for commercial properties. External managers advise on an investment portfolio of approximately £10.3 million.

The total return for the year on the investment portfolio was 10.2% (2023: -3.6%) compared with the benchmark of 14.6% (2023: -2.4%).

Structure, governance and management

a. Constitution

The JGW Patterson Foundation is registered as a charitable company limited by guarantee, incorporated on 7 March 2002 and registered as a charity on 8 October 2002. It is governed by its memorandum and articles of association.

b. Methods of appointment or election of trustees

The charity may by ordinary resolution appoint, and the trustees may co-opt, any person either to fill a vacancy or as an additional trustee, but a co-opted trustee holds office only until the next AGM. At each AGM, one third of the trustees retire by rotation. The trustees appoint one of their number to be the chairman of their meetings.

The trustees for the purpose of charity law, who are also directors for the purpose of company law, who served during the year and up to the date of this report are set out on page 1.

c. Organisational structure and decision-making policies

The charity is managed by the trustees, who meet quarterly. The number of trustees may not be less than three, but is not subject to any maximum. The quorum for the transaction of business is one third of the trustees or two trustees, whichever is greater. Investment and property sub-committees have been established, with three trustees sitting on each sub-committee.

d. Policies adopted for the induction and training of trustees

New trustees are briefed on the powers and responsibilities of the trustees and the sub-committees, the grant making process, investments and the recent financial performance of the charity.

e. Risk management

The trustees have carried out a detailed risk assessment to identify the major governance, financial, operational and compliance risks which the charity faces and this is reviewed each year. Procedures have been established to enable the trustees to monitor and mitigate those risks.

Plans for future periods

New grant applications continue to be considered with reference to the charity's available income.

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Statement of trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 and 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 Companies Act 2006. 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.

Disclosure of information to auditor

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Approved by order of the members of the board of trustees and signed on their behalf by:

D R Gold

Trustee

Date: 19 December 2024

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE JGW PATTERSON FOUNDATION

Opinion

We have audited the financial statements of The JGW Patterson Foundation (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure 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 Companies Act 2006

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charitable company'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.

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE JGW PATTERSON FOUNDATION
(CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we required for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE JGW PATTERSON FOUNDATION
(CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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 an Auditor's Report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant identified that directly affect the financial statements include financial reporting legislation (including related companies' legislation), the Charities Act 2011 and UK taxation legislation. The charitable company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Health and Safety, Employment Law and Data Protection regulations, recognising the nature of the charitable company's activities.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquiries of trustees and Key Management Personnel as to where they consider there to be susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override, including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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 Auditor's Report.

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE JGW PATTERSON FOUNDATION
(CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with the Companies Act 2006, Chapter 3, Part 16. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's Report and for no other purpose.

John Oswald (Senior statutory auditor)
For and on behalf of Stephenson Coates Audit Limited
West 2
Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

19 December 2024

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	Unrestricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Investments	4	907,971	-	907,971	982,817
Total income		907,971	-	907,971	982,817
Expenditure on:					
Raising funds	5	200,917	77,278	278,195	308,987
Charitable activities		842,474	-	842,474	640,599
Total expenditure		1,043,391	77,278	1,120,669	949,586
Net gains/(losses) on investments		-	580,167	580,167	(675,640)
Net movement in funds		(135,420)	502,889	367,469	(642,409)
Reconciliation of funds:					
Total funds brought forward		246,683	18,103,231	18,349,914	18,992,323
Net movement in funds		(135,420)	502,889	367,469	(642,409)
Total funds carried forward		111,263	18,606,120	18,717,383	18,349,914

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 15 to 25 form part of these financial statements.

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

**SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	Total funds 2024 £	Total funds 2023 £
Gross income		907,971	982,817
Less: Total expenditure		(1,043,391)	(883,055)
Net expenditure/(income) for the year		(135,420)	99,762

All income and expenditure derives from continuing activities.

Total income of £907,971 (2023: £982,817) comprises unrestricted income only. A detailed analysis of income by source is provided in the statement of financial activities.

Detailed analysis of expenditure is provided in the statement of financial activities and notes 5 to 8.

The summary income and expenditure account is derived from the statement of financial activities on page 11 and excludes all income and expenditure on the Endowment Fund. The statement of financial activities, together with the notes on pages 15 to 25, provides full information on the movements during the year on all funds of the charity.

The notes on pages 15 to 25 form part of these financial statements.

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)
REGISTERED NUMBER: 04388927

BALANCE SHEET
AS AT 31 MARCH 2024

	Note	2024 £	2023 £
Fixed assets			
Investments	11	17,460,789	17,701,219
		<u>17,460,789</u>	<u>17,701,219</u>
Current assets			
Debtors	12	699,290	475,181
Cash at bank and in hand		717,914	373,506
		<u>1,417,204</u>	<u>848,687</u>
Creditors: amounts falling due within one year	13	(160,610)	(199,992)
Net current assets		<u>1,256,594</u>	<u>648,695</u>
Total assets less current liabilities		<u>18,717,383</u>	<u>18,349,914</u>
Total net assets		<u><u>18,717,383</u></u>	<u><u>18,349,914</u></u>
Charity funds			
Endowment funds	14	18,606,120	18,103,231
Unrestricted funds	14	111,263	246,683
Total funds		<u><u>18,717,383</u></u>	<u><u>18,349,914</u></u>

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:

D R Gold

Trustee

Date:

19 December 2024

The notes on pages 15 to 25 form part of these financial statements.

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	16	(1,384,160)	(1,178,205)
Cash flows from investing activities			
Dividends, interests and rents from investments		907,971	982,817
Proceeds from sale of investments		2,953,464	1,593,140
Purchase of investments		(2,054,540)	(1,800,120)
Net cash provided by investing activities		1,806,895	775,837
Change in cash and cash equivalents in the year		422,735	(402,368)
Cash and cash equivalents at the beginning of the year		540,602	942,970
Cash and cash equivalents at the end of the year	17	963,337	540,602

The notes on pages 15 to 25 form part of these financial statements

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. General information

The charity is a company limited by guarantee and has no share capital. It is registered in England and Wales. The address of the registered office is The Cube, Barrack Road, Newcastle upon Tyne, NE4 6DB. The liability of each member in the event of winding up is limited to £10.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes. They have been prepared in accordance with 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 - Charities SORP FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The JGW Patterson Foundation meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling which is the functional and presentational currency of the charity.

2.2 Going concern

The charity has reviewed its cash flow forecasts and there is a reasonable expectation that it has adequate resources to continue in operational existence for at least the next twelve months and on this basis the charity is considered to be a going concern.

2.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The following specific policies are applied to particular categories of income:

Investment income such as dividends and interest are included when receivable.

Income from charitable activities includes income from rents and service charges which are recognised on a straight-line basis over the term of the lease.

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure on raising funds comprises those costs relating to financing, managing and maintaining the investment properties and certain legal and professional fees.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs. Where support costs relate to more than one activity, they are allocated on the basis of time spent.

Grants payable are recorded once the charity has made an unconditional commitment to pay the grant which is communicated to the beneficiary or the grant has been paid, whichever is the earlier. Grants offered subject to conditions which have not been met at the balance sheet date are noted as a commitment, but not provided as expenditure.

Governance costs represents expenditure incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

2.5 Investments

Fixed asset listed investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date using the closing quoted market value using the bid price. Investment gains and losses, whether realised or unrealised, are combined and presented as 'gains/(losses) on investments' in the statement of financial activities in the funds in which the investments are held.

The charity classifies land and buildings as investment properties when they are held to earn rentals or for capital appreciation, or both. Investment properties are initially measured at cost which comprises the purchase price and any directly attributable expenditure. Investment properties are subsequently remeasured to fair value (which for this purpose is market value) at each reporting date with changes in the fair value recognised in the statement of financial activities.

2.6 Cash at bank and in hand

Cash at bank includes a current account, a deposit account and a 95 day notice business savings account.

2.7 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.8 Financial instruments

With the exception of investments described above, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement value.

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. Accounting policies (continued)

2.9 Fund accounting

General funds are unrestricted income funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

The unrestricted income fund is credited with the investment income arising from the charity's investments and is charged with grants made by the charity, costs of raising funds and support and governance costs. Any surplus on the income fund is carried forward and available for future grants.

The endowment fund represents donations made by Mr JGW Patterson during his lifetime and a legacy from his estate following his death. Although the endowment fund is expendable at the trustees' discretion, a grant made out of capital would normally involve the sale of investments and would only be made in exceptional circumstances.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical judgements made by the trustees that have a significant effect on the amounts recognised in the financial statements are in respect of the fair value of investment properties and listed investment valuations.

4. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Rent receivable	664,920	664,920	731,597
Dividends and interest receivable	229,617	229,617	249,380
Interest receivable on cash deposits	13,434	13,434	1,840
	<u>907,971</u>	<u>907,971</u>	<u>982,817</u>

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

5. Expenditure on raising funds

Investment management costs

	Unrestricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £	Total funds 2023 £
Property management fees	61,369	-	61,369	54,223
Property repairs and maintenance	65,093	-	65,093	112,944
Property rates and water	5,558	-	5,558	3,752
Property insurance	31,220	-	31,220	32,694
Irrecoverable rent arrears	3,251	-	3,251	15,183
Investment management fees	7,297	65,671	72,968	70,016
Legal fees	27,129	6,102	33,231	16,658
Accountancy fees	-	5,505	5,505	3,517
	<u>200,917</u>	<u>77,278</u>	<u>278,195</u>	<u>308,987</u>
<i>Total 2023</i>	<u><u>242,456</u></u>	<u><u>66,531</u></u>	<u><u>308,987</u></u>	

6. Grants

		2024 £	2023 £
Analysis of grants	No.		
Rheumatology and arthritis research	7	286,227	197,380
Cancer research	8	403,286	305,408
Hospice and cancer patient care	10	111,935	79,700
	25	<u>801,448</u>	<u>582,488</u>

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

7. Grants (continued)

		2024 £	2023 £
Recipients of institutional grants	No.		
Newcastle University	15	689,744	482,633
St Oswalds Hospice	2	21,730	-
St Cuthbert's Hospice	1	19,689	-
Eden Valley Hospice	1	15,580	-
HospiceCare North Northumberland	1	15,000	-
Marie Curie	1	12,500	-
St Teresa's Hospice	1	10,000	10,000
Teeside Hospice	1	7,500	-
Hospice at Home West Cumbria	1	6,936	-
Willow Foundation	1	3,000	-
Cancer Research		(231)	-
Newcastle Centre Pharmacology Group		-	27,750
Tynedale Hospice at Home		-	20,000
Butterwick Hospice		-	20,000
Macmillan Cancer Support		-	10,000
Teenage Cancer Trust		-	7,700
Alice House Hospice		-	7,000
Tom's Trust		-	5,000
Durham University		-	(7,595)
		801,448	582,488

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

8. Analysis of expenditure by activities

	Grant funding of activities 2024 £	Support costs 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Charitable activities	801,448	41,026	842,474	640,599
<i>Total 2023</i>	<i>582,488</i>	<i>58,111</i>	<i>640,599</i>	

Analysis of support costs

	Total funds 2024 £	<i>Total funds 2023 £</i>
Legal fees (grant making support)	17,332	12,872
Accountancy fees (grant making support)	8,438	7,035
Administrative support	(18,000)	9,000
Website costs (grant making support)	299	276
Legal fees (governance)	548	125
Accountancy fees (governance)	7,983	6,783
Audit fees (governance)	4,459	4,498
Bank charges (governance)	295	-
Trustees' indemnity insurance (governance)	4,333	3,218
VAT surcharges and interest (governance)	15,339	14,304
	41,026	58,111

9. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £4,320 (2023 - £3,907).

10. Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 March 2024, no trustee expenses have been incurred (2023 - £NIL).

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

11. Fixed asset investments

	Listed investments £	Investment properties £	Cash held for investment £	Total £
Cost or valuation				
At 1 April 2023	8,440,124	9,094,000	167,095	17,701,219
Additions	2,054,540	-	2,205,308	4,259,848
Disposals	(1,211,288)	(1,889,000)	(2,126,980)	(5,227,268)
Revaluations	726,990	-	-	726,990
	<u>10,010,366</u>	<u>7,205,000</u>	<u>245,423</u>	<u>17,460,789</u>
At 31 March 2024	<u>10,010,366</u>	<u>7,205,000</u>	<u>245,423</u>	<u>17,460,789</u>
Net book value				
At 31 March 2024	<u>10,010,366</u>	<u>7,205,000</u>	<u>245,423</u>	<u>17,460,789</u>
At 31 March 2023	<u>8,440,124</u>	<u>9,094,000</u>	<u>167,095</u>	<u>17,701,219</u>

The historical cost of listed investments at 31 March 2024 was £7,270,466 (2023: £8,440,124).

The historical cost of investment properties at 31 March 2024 was £6,641,462 (2023: £8,887,242).

All investments are carried at their fair value. Investments in equities and fixed interest securities are all traded in quoted public markets. The basis of fair value for quoted investments is equivalent to the market value using the bid price.

The investment properties were valued by the trustees at 31 March 2024, at market value for existing use.

12. Debtors

	2024 £	2023 £
Due within one year		
Other debtors	584,342	409,872
Prepayments and accrued income	114,948	65,309
	<u>699,290</u>	<u>475,181</u>

Other debtors comprises rents due of £151,729 (2023: £183,315), funds held by the managing agent of £178,712 (2023: £209,615) and dividends and interest receivable of £253,901 (2023: £16,942).

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

13. Creditors: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	20,095	17,827
Value added tax	6,153	7,857
Other creditors	5,078	2,575
Accruals and deferred income	129,284	171,733
	<u>160,610</u>	<u>199,992</u>

Included within accruals and deferred income is £79,562 (2023: £96,227) in respect of rental income receivable in advance of the period to which it relates.

14. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2024 £
Unrestricted funds					
General Funds	246,683	907,971	(1,043,391)	-	111,263
	<u>246,683</u>	<u>907,971</u>	<u>(1,043,391)</u>	<u>-</u>	<u>111,263</u>
Endowment funds					
Endowment Fund	18,103,231	-	(77,278)	580,167	18,606,120
	<u>18,103,231</u>	<u>-</u>	<u>(77,278)</u>	<u>580,167</u>	<u>18,606,120</u>
Total of funds	<u>18,349,914</u>	<u>907,971</u>	<u>(1,120,669)</u>	<u>580,167</u>	<u>18,717,383</u>

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

14. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2023 £</i>
Unrestricted funds					
Unrestricted funds	146,921	982,817	(883,055)	-	246,683
Endowment funds					
Endowment Fund	18,845,402	-	(66,531)	(675,640)	18,103,231
Total of funds	<u>18,992,323</u>	<u>982,817</u>	<u>(949,586)</u>	<u>(675,640)</u>	<u>18,349,914</u>

15. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Fixed asset investments	-	17,460,789	17,460,789
Current assets	252,952	1,164,252	1,417,204
Creditors due within one year	(141,689)	(18,921)	(160,610)
Total	<u>111,263</u>	<u>18,606,120</u>	<u>18,717,383</u>

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2023 £</i>	<i>Endowment funds 2023 £</i>	<i>Total funds 2023 £</i>
Fixed asset investments	-	17,701,219	17,701,219
Current assets	428,887	419,800	848,687
Creditors due within one year	(182,204)	(17,788)	(199,992)
Total	<u>246,683</u>	<u>18,103,231</u>	<u>18,349,914</u>

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net income/expenditure for the period (as per Statement of Financial Activities)	367,469	(642,409)
Adjustments for:		
(Gains)/losses on investments	(580,167)	675,640
Dividends, interests and rents from investments	(907,971)	(982,816)
Increase in debtors	(224,109)	(51,187)
Decrease in creditors	(39,382)	(177,433)
Net cash used in operating activities	(1,384,160)	(1,178,205)

17. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash with current accounts	199,562	361,330
Cash with deposit accounts	518,352	12,176
Cash held by investment adviser (note 11)	245,423	167,096
Total cash and cash equivalents	963,337	540,602

18. Analysis of changes in net debt

	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	373,506	344,408	717,914
	373,506	344,408	717,914

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

19. Grant commitments

	2024 £	2023 £
Commitments payable in under 1 year	562,477	123,762
Commitments payable in over 1 year	436,624	21,533
Amount of commitments as at 31 March 2024	999,101	145,295

These grant commitments are not provided as liabilities in the financial statements. The amounts represent future amounts of research grants offered at the balance sheet date, which are subject to ongoing reviews and are payable out of future income, or are for research projects which have been agreed to commence after the balance sheet date.

20. Related party transactions

The charity considers its key management personnel to be the trustees.

Accountancy fees of £29,282 (2023: £24,856) were payable to Armstrong Watson LLP the charity's accountants. Mr D R Gold is a member of Armstrong Watson LLP.

£50,276 (2023: £28,721) of legal and professional fees were payable to Sintons LLP, the charity's solicitors. Mr A G Dawson is a member of Sintons LLP.

Payment of professional charges is permitted under paragraph 5(1) of the charity's memorandum of association.

A grant of £15,000 was paid to HospiceCare North Northumberland. Professor Sir A W Craft is a director of HospiceCare North Northumberland.

THE JGW PATTERSON FOUNDATION

England & Wales - Charity number 1094086

Accounts

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2023

Registered company number 04388927
Registered charity number 1094086

ARMSTRONG WATSON
Chartered Accountants
Newcastle upon Tyne

THE JGW PATTERSON FOUNDATION
REPORT AND FINANCIAL STATEMENTS
31 MARCH 2023

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THE JGW PATTERSON FOUNDATION
REFERENCE AND ADMINISTRATIVE DETAILS

31 MARCH 2023

Charity number: 1094086 **Company number:** 04388927

Trustees

S T Gilroy
Prof Sir A W Craft (Chairman)
D R Gold
Prof T E Cawston
J C Dias (resigned 17 May 2023)
Prof S C Clifford
Prof D A Young
Mr A G Dawson (appointed 1 March 2023)

Secretary

Mrs P Aitken

Website: <https://jgwpattersonfoundation.co.uk>

Registered office

The Cube
Barrack Road
Newcastle upon Tyne
NE4 6DB

Accountants

Armstrong Watson LLP
One Strawberry Lane
Newcastle upon Tyne
NE1 4BX

Bankers

Handelsbanken plc
Earl Grey House
75-85 Grey Street
Newcastle upon Tyne
NE1 6EF

Managing agent

Lambert Smith Hampton
Suite One
St Ann's Quay
Newcastle upon Tyne
NE1 3BD

Auditors

Stephenson Coates Audit
Limited
West 2
Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

Solicitors

Sintons LLP
The Cube
Barrack Road
Newcastle upon Tyne
NE4 6DB

Investment advisers

LGT Wealth Management
14 Cornhill
London
EC3V 3NR

THE JGW PATTERSON FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2023 which are also prepared to meet the requirements for a directors' report and financial statements for Company Act purposes.

Reference and administrative details set out on page 1 form part of this report. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland – Charities SORP FRS 102 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, governance and management

Governing document

The charity is a company limited by guarantee, incorporated on 7 March 2002 and registered as a charity on 8 October 2002. It is governed by its memorandum and articles of association.

Appointment of trustees

The charity may by ordinary resolution appoint, and the trustees may co-opt, any person either to fill a vacancy or as an additional trustee, but a co-opted trustee holds office only until the next AGM. At each AGM, one third of the trustees retire by rotation. The trustees appoint one of their number to be the chairman of their meetings.

The trustees for the purpose of charity law, who are also directors for the purpose of company law, who served during the year and up to the date of this report are set out on page 1.

Induction and training of trustees

New trustees are briefed on the powers and responsibilities of the trustees and the sub-committees, the grant making process, investments and the recent financial performance of the charity.

Organisation

The charity is managed by the trustees, who meet quarterly. The number of trustees may not be less than three, but is not subject to any maximum. The quorum for the transaction of business is one third of the trustees or two trustees, whichever is greater. Investment and property sub-committees have been established, with three trustees sitting on each sub-committee.

Risk management

The trustees have carried out a detailed risk assessment to identify the major governance, financial, operational and compliance risks which the charity faces and this is reviewed each year. Procedures have been established to enable the trustees to monitor and mitigate those risks.

Objectives and activities

The aim of The JGW Patterson Foundation is to advance the education of the public by the provision of grants to fund research into rheumatology, cancer and the relief of arthritis and to disseminate the useful results thereof. The objects also include the provision of equipment or grants for equipment and / or caring services to assist with the relief of sickness caused by rheumatological problems, arthritis and / or cancer, such equipment or grants for equipment and / or caring services not normally being provided by the Local Health Authority. The objects are to be carried out in the areas covered by the NHS North East and North Cumbria Integrated Care Board.

In planning and carrying out the charity's activities for the year, the trustees have considered the guidance produced by the Charity Commission on public benefit and are confident that this is achieved through the grants made.

THE JGW PATTERSON FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2023

Grant making policy

Under the terms of the charity's memorandum and articles of association, the trustees may expend the funds of the charity in such manner as they consider most beneficial for the achievement of the objects set out above.

The area of benefit is the North East of England, including Tyne and Wear, Northumberland, Durham, Middlesbrough, Sunderland, Stockton-on-Tees, Redcar and Cleveland and Cumbria.

Applications are invited from organisations and individuals within the relevant fields. The charity will support both clinical and laboratory research which is designed to further the understanding of disease, improve treatment, or promote best practice. Research grant applications are subject to peer review.

The trustees will consider these applications and grants will be made where it is thought most appropriate and effective. It is a condition of funding that the trustees receive regular reports on the use of the funds and the results of the research.

Achievements and performance

The charity has continued to support research that aims to understand the causes of arthritis in order to devise new and effective treatments and has awarded grants that aim to investigate mechanisms relevant to both osteoarthritis and rheumatoid arthritis. Some projects have led to further funding from National Bodies and Newcastle now hosts both Programme and Centre grants from Medical Research Council, Versus Arthritis (formerly Arthritis Research UK) and the Dunhill Medical Trust. Grants have also been made to charities that focus on arthritis patient care.

The cancer projects are mainly carried out in the Newcastle University Centre for Cancer. The overall aim of the Centre is to understand better the biology of cancer in order to tailor treatment to individuals, and to identify targets within the cancers where it might be possible to develop new cancer drugs. Medicinal chemistry is an integral part of many projects. Each year the charity gives small grants to local hospices for caring services and the provision of equipment to enhance the lives of patients whom they care for.

For both rheumatology and cancer, the charity funds short term pump-priming projects, many of which go on to attract major national funding. The charity also funds PhD students to encourage the best young graduates to develop a career in research. It has established two PhD arthritis studentships and three PhD cancer studentships in memory of Andrew Walker, Peter May and Philip Robson.

Most of our grants go to Newcastle University, but we have also funded Northumbria University and the University of Durham.

Total grants payable in the year amounted to £582,488 as shown in note 5 to the financial statements. Of this total, 34% was for research into rheumatology and arthritis, 52% for cancer research and the remaining 14% for hospices and cancer patient care.

Financial review

The principal sources of unrestricted income comprised rents, dividends and interest receivable amounting to £982,817 (2022: £954,172). Grants payable in the year were £582,488 (2022: £646,113), creating net income of £99,762 (2022: net expenditure of £17,206).

Reserves policy

It is the policy of the charity to maintain unrestricted funds not invested in fixed assets (the free reserves) at an appropriate level to cover any gap that may arise between investment income and grants payable and other expenditure. In recent years, the target level of reserves has been set at £100,000.

The free reserves at 31 March 2023 were £246,683 (2022: £146,921) which is higher than the target level. However, the pattern of grant making depends on the timing and quality of applications, and the start dates of the projects concerned. The trustees therefore consider this to be appropriate at the current time. The policy and reserves position will continue to be reviewed each financial year.

THE JGW PATTERSON FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2023

Investment policy and performance

The memorandum and articles of association permit the charity to acquire and to charge or otherwise dispose of property and to invest funds in any manner as the trustees may see fit.

The charity has a detailed investment policy with the aim of achieving appropriately diversified investments. The managing agent advises on a property portfolio of £9.1 million, comprising approximately £2.0 million for residential and £7.1 million for commercial properties. External managers advise on an investment portfolio of approximately £8.6 million.

The total return for the year on the investment portfolio was -3.6% (2022: 6.9%) compared with the benchmark of -2.4% (2022: 9.6%).

Plans for future periods

New grant applications continue to be considered with reference to the charity's available income.

Responsibilities of the trustees

The trustees (who are also the directors of The JGW Patterson Foundation for the purposes of company law) 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).

Company law 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 charitable company and of the income and application of resources, including the income or expenditure, of the charitable company for that year. 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

On behalf of the trustees

D R Gold
Trustee
20 December 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE JGW PATTERSON FOUNDATION

Opinion

We have audited the financial statements of The JGW Patterson Foundation ('the charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, including the income and expenditure account, the balance sheet, the statement of cash flows 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 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 *Companies Act* 2006.

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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charitable company 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 charitable company's ability to continue as a going concern for a period of at least 12 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 other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE JGW PATTERSON FOUNDATION

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we required for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 4, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal controls 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE JGW PATTERSON FOUNDATION

Auditor's responsibilities for the audit of the financial statements *(continued)*

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant identified that directly affect the financial statements include financial reporting legislation (including related companies' legislation), the Charities Act 2011 and UK taxation legislation. The charitable company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Health and Safety, Employment Law and Data Protection regulations, recognising the nature of the charitable company's activities.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquiries of trustees and Key Management Personnel as to where they consider there to be susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override, including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with the *Companies Act 2006*, Chapter 3, Part 16. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Oswald (Senior statutory auditor)
For and on behalf of Stephenson Coates Audit Limited
Statutory Auditors

Date: 20 December 2023

West 2 Asama Court
Newcastle Business Park
Newcastle upon Tyne

THE JGW PATTERSON FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted funds £	Endowment Fund £	Total 2023 £	Total 2022 £
Income from:					
Investments	3	982,817	-	982,817	954,172
Total income		982,817	-	982,817	954,172
Expenditure on:					
Raising funds	4	242,456	66,531	308,987	343,390
Charitable activities	6	640,599	-	640,599	700,152
Total expenditure		883,055	66,531	949,586	1,043,542
Net losses on investments:					
Losses on revaluation of investments	8	-	(535,547)	(535,547)	(63,322)
Realised losses on disposal of investments		-	(140,093)	(140,093)	(104,991)
		-	(675,640)	(675,640)	(168,313)
Net income (expenditure) and net movement in funds		99,762	(742,171)	(642,409)	(257,683)
Reconciliation of funds					
Total funds brought forward		146,921	18,845,402	18,992,323	19,250,006
Total funds carried forward		246,683	18,103,231	18,349,914	18,992,323

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derives from continuing activities.

The notes on pages 12 to 18 form part of these financial statements.

THE JGW PATTERSON FOUNDATION

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	£	£
Gross income	982,817	954,172
Total expenditure	(883,055)	(971,378)
Net income (expenditure) for the year	<u>99,762</u>	<u>(17,206)</u>

All income and expenditure derives from continuing activities.

Total income of £982,817 (2022: £954,172) comprises unrestricted income only. A detailed analysis of income by source is provided in the statement of financial activities.

Detailed analysis of expenditure is provided in the statement of financial activities and notes 4 to 7.

The summary income and expenditure account is derived from the statement of financial activities on page 8 and excludes all income and expenditure on the Endowment Fund. The statement of financial activities, together with the notes on pages 12 to 18, provides full information on the movements during the year on all funds of the charity.

THE JGW PATTERSON FOUNDATION

BALANCE SHEET

Company number: 04388927

AS AT 31 MARCH 2023

	Note	2023	2022
		£	£
Fixed assets			
Investments	8	17,701,219	18,447,096
Current assets			
Debtors	9	475,181	423,994
Cash at bank		373,506	498,658
		<u>848,687</u>	<u>922,652</u>
Creditors: amounts falling due within one year	10	<u>(199,992)</u>	<u>(377,425)</u>
Net current assets		648,695	545,227
Total assets less current liabilities		<u>18,349,914</u>	<u>18,992,323</u>
Creditors: amounts falling due after more than one year	11	-	-
Net assets		<u>18,349,914</u>	<u>18,992,323</u>
Funds of the charity			
Endowment Fund	11	18,103,231	18,845,402
Unrestricted income funds	11	246,683	146,921
Total charity funds		<u>18,349,914</u>	<u>18,992,323</u>

The financial statements were approved by the trustees of The JGW Patterson Foundation on 20 December 2023 and were signed on their behalf by:

D R Gold
Trustee

The notes on pages 12 to 18 form part of these financial statements.

THE JGW PATTERSON FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	£	£
Cash flows from operating activities:		
Net cash used in operating activities (a)	<u>(1,178,205)</u>	<u>(1,078,040)</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	982,817	954,172
Sale of property		
Purchase of investments	(1,800,120)	(1,899,246)
Proceeds from sale of investments	1,593,140	2,096,091
Net cash provided by investing activities	<u>775,837</u>	<u>1,151,017</u>
Change in cash in the year ended 31 March 2023	(402,368)	72,977
Cash at 1 April 2022	942,970	869,993
Cash at 31 March 2023 (b)	<u>540,602</u>	<u>942,970</u>
 (a) Reconciliation of net expenditure to net cash flow from operating activities		
Net expenditure for the year ended 31 March 2023 (as per the statement of financial activities)	(642,409)	(257,683)
Adjustments for:		
Losses on investments	675,640	168,313
Dividends, interest and rents from investments	(982,816)	(954,172)
Increase in debtors	(51,187)	(104,241)
(Decrease) / increase in creditors	(177,433)	69,743
Net cash used in operating activities	<u>(1,178,205)</u>	<u>(1,078,040)</u>
 (b) Analysis of cash at 31 March 2023		
Cash with Allied Irish Bank Plc - current account	361,330	486,583
Cash with Cambridge & Counties Bank Limited - 95 day notice account	12,176	12,075
	<u>373,506</u>	<u>498,658</u>
Cash held by investment adviser	167,096	444,312
	<u>540,602</u>	<u>942,970</u>

THE JGW PATTERSON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. It is registered in England and Wales. The address of the registered office is The Cube, Barrick Road, Newcastle upon Tyne, NE4 6DB. The liability of each member in the event of winding up is limited to £10.

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes. They have been prepared in accordance with 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 - Charities SORP FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The JGW Patterson Foundation meets the definition of a public benefit entity under FRS102.

The financial statements are prepared in sterling which is the functional and presentational currency of the charity.

b) Preparation of the financial statements on a going concern basis

The charity has reviewed its cash flow forecasts and there is a reasonable expectation that it has adequate resources to continue in operational existence for at least the next twelve months and on this basis the charity is considered to be a going concern.

c) Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees' are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical judgements made by the trustees that have a significant effect on the amounts recognised in the financial statements are in respect of the fair value of investment properties and listed investment valuations.

d) Fund accounting - Endowment Fund

Unrestricted income fund

The income fund is credited with the investment income arising from the charity's investments and is charged with grants made by the charity, costs of raising funds and support and governance costs. Any surplus on the income fund is carried forward and available for future grants.

Endowment fund

This represents donations made by Mr JGW Patterson during his lifetime and a legacy from his estate following his death. Although the Endowment Fund is expendable at the trustees' discretion, a grant made out of capital would normally involve the sale of investments and would only be made in exceptional circumstances.

THE JGW PATTERSON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies *(continued)*

e) Fixed asset investments:

Listed investments

Investments are a form of basic financial instrument and are initially recognised at cost and subsequently measured at their fair value as at the balance sheet date using the closing quoted market value using the bid price. Gains or losses arising on revaluation or disposal are recognised in the statement of financial activities in the funds in which the investments are held.

Investment properties

The charity classifies land and buildings as investment properties when they are held to earn rentals or for capital appreciation, or both. Investment properties are initially measured at cost which comprises the purchase price and any directly attributable expenditure. Investment properties are subsequently remeasured to fair value (which for this purpose is market value) at each reporting date with changes in the fair value recognised in the statement of financial activities.

f) Cash at bank

Cash at bank includes a current account and a 95 day notice business savings account.

g) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation 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.

h) Financial instruments

With the exception of investments described above, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement value.

i) Income recognition

All income is included in the statement of financial activities when the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The following specific policies are applied to particular categories of income:

Investment income such as dividends and interest are included when receivable.

Income from charitable activities includes income from rents and service charges which are recognised on a straight-line basis over the term of the lease.

THE JGW PATTERSON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

j) Expenditure recognition

Expenditure is recognised as soon as there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure on raising funds comprises those costs relating to financing, managing and maintaining the investment properties and certain legal and professional fees.

Charitable expenditure comprises all costs of activities in furtherance of the objects of the charity.

Grants payable are recorded once the charity has made an unconditional commitment to pay the grant which is communicated to the beneficiary or the grant has been paid, whichever is the earlier. Grants offered subject to conditions which have not been met at the balance sheet date are noted as a commitment, but not provided as expenditure.

Governance costs represents expenditure incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Where support costs relate to more than one activity, they are allocated on the basis of time spent.

3. Investment income

	Unrestricted funds	Endowment Fund	Total 2023	Total 2022
	£	£	£	£
Rent receivable	731,597	-	731,597	738,290
Interest receivable on cash deposits	1,840	-	1,840	117
Dividends and interest receivable	249,380	-	249,380	215,765
	982,817	-	982,817	954,172

4. Raising funds:

Investment management costs	Unrestricted funds	Endowment Fund	Total 2023	Total 2022
	£	£	£	£
Property management fees	54,223	-	54,223	44,085
Property repairs and maintenance	112,944	-	112,944	143,267
Property rates and water	3,752	-	3,752	28,554
Property insurance	32,694	-	32,694	39,630
Irrecoverable rent arrears	15,183	-	15,183	(362)
Investment management fees	7,002	63,014	70,016	75,721
Legal fees	16,658	-	16,658	8,480
Accountancy fees	-	3,517	3,517	4,015
	242,456	66,531	308,987	343,390

THE JGW PATTERSON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

5. Grants	Number of grants	Total 2023 £	Number of grants	Total 2022 £
Analysis of grants				
Rheumatology and arthritis research	5	197,379	6	269,600
Cancer research	8	305,408	6	253,738
Hospice and cancer patient care	7	79,700	12	122,775
	20	582,488	24	646,113

5. Grants (continued)	Number of grants	Total 2023 £	Number of grants	Total 2022 £
Recipients of institutional grants				
Newcastle University	12	482,632	12	525,504
Newcastle Centre Pharmacology Group	1	27,750	-	-
Tynedale Hospice at Home	1	20,000	1	15,000
Butterwick Hospice	1	20,000	2	15,000
St Teresa's Hospice	1	10,000	-	-
Macmillan Cancer Support	1	10,000	-	-
Teenage Cancer Trust	1	7,700	-	-
Alice House Hospice	1	7,000	1	6,000
Tom's Trust	1	5,000	-	-
Durham University	-	(7,595)	-	-
Marie Curie Hospice	-	-	2	25,000
St Cuthberts Hospice Durham	-	-	1	20,081
St Oswald's Hospice	-	-	1	15,000
HospiceCare North Northumberland	-	-	1	12,000
Eden Valley Hospice	-	-	1	6,500
Hospice at Home West Cumbria	-	-	1	5,194
Willow Foundation	-	-	1	3,000
University of Sunderland Middleton	-	-	-	(2,166)
	20	582,488	24	646,113

THE JGW PATTERSON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

6. Total expenditure	Unrestricted	Endowment	Total	Total
	funds	Fund	2023	2022
	£	£	£	£
Charitable activities:				
Grants payable (note 5)	582,488	-	582,488	646,113
Support costs:			-	
Legal fees	12,872	-	12,872	11,750
Accountancy fees	7,035	-	7,035	8,030
Administrative support	9,000		9,000	9,000
Website costs	276		276	216
	611,671	-	611,671	675,109
 Governance costs:				
Bank charges	125	-	125	250
Trustees' indemnity insurance	6,783	-	6,783	5,019
Legal fees	3,218	-	3,218	2,937
Audit fee	4,498	-	4,498	3,020
Accountancy fees	14,304	-	14,304	13,817
	28,928	-	28,928	25,043
 Total expenditure on charitable activities	640,599	-	640,599	700,152

7. Trustees' remuneration and related party transactions

The trustees did not receive any emoluments during the year and were not paid or reimbursed for any expenses.

The charity considers its key management personnel to be the trustees.

Accountancy fees of £24,856 (2022: £25,862) were payable to Joseph Miller and Armstrong Watson LLP the charity's accountant's. Mr D R Gold was a partner in Joseph Miller until the merger with Armstrong Watson LLP and is now a partner in that firm.

£28,721 of legal and professional fees were payable to Sintons LLP, the charity's solicitors. Mr A G Dawson is a designated LLP member of that firm.

Payment of professional charges is permitted under paragraph 5(1) of the charity's memorandum of association.

THE JGW PATTERSON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

8. Fixed asset investments

	2023	2022
	£	£
Investments at fair value comprised:		
i) Listed investments	8,440,124	8,575,284
Cash available for reinvestment by investment advisers	167,095	444,312
ii) Investment properties	9,094,000	9,427,500
	17,701,219	18,447,096
i) Listed investments		
At 1 April 2022	8,575,284	7,992,342
Additions at cost	1,800,120	1,890,846
Disposals at carrying value	(1,553,233)	(1,949,082)
Unrealised (losses) gains on revaluation	(382,047)	641,178
	8,440,124	8,575,284
At 31 March 2023		
Historical cost at 31 March 2023	6,336,081	5,701,475
ii) Investment properties		
At 1 April 2022	9,427,500	10,375,600
Additions at cost	-	8,400
Disposals at carrying value	(180,000)	(252,000)
Unrealised loss on revaluation	(153,500)	(704,500)
	9,094,000	9,427,500
At 31 March 2023		
Historical cost at 31 March 2023	8,887,242	9,289,536

All investments are carried at their fair value. Investments in equities and fixed interest securities are all traded in quoted public markets. The basis of fair value for quoted investments is equivalent to the market value using the bid price.

The investment properties were valued by the trustees at 31 March 2023, at market value for existing use. However, there remains significant uncertainty in the UK property market which has inevitably increased the degree of judgement involved in the property valuations at 31 March 2023.

9. Debtors

	2023	2022
	£	£
Other debtors:		
Rents due	183,315	194,861
Funds held by managing agent	209,615	195,800
Grants repayable	-	-
Dividends and interest receivable	16,942	11,893
Prepayments and accrued income	65,309	21,440
	475,181	423,994

THE JGW PATTERSON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

10. Creditors: amounts falling due within one year	2023	2022
	£	£
Trade creditors	17,827	8,377
Value added tax	7,857	49,805
Accruals	75,506	69,667
Grants payable	-	129,115
Other creditors	2,575	2,575
Deferred lease premium	-	5,833
Deferred income	96,227	112,053
	<u>199,992</u>	<u>377,425</u>

Deferred income comprises rental income receivable in advance of the period to which it relates.

11. Analysis of net assets between funds	Fixed asset investments £	Net current assets (liabilities) £	Total 2023 £	Total 2022 £
Endowment Fund	17,701,219	402,012	18,103,231	18,845,402
Unrestricted income funds	-	246,683	246,683	146,921
	<u>17,701,219</u>	<u>648,695</u>	<u>18,349,914</u>	<u>18,992,323</u>

Analysis of net assets between funds - previous year

	Fixed asset investments £	Net current assets (liabilities) £	Total 2022 £	Total 2021 £
Endowment Fund	18,447,096	398,306	18,845,402	19,085,879
Unrestricted income funds	-	146,921	146,921	164,127
	<u>18,447,096</u>	<u>545,227</u>	<u>18,992,323</u>	<u>19,250,006</u>

12. Grant commitments	2023	2022
	£	£
Commitments payable in under 1 year	123,762	278,842
Commitments payable in over 1 year	21,533	42,612
Amount of commitments as at 31 March 2023	<u>145,295</u>	<u>321,454</u>

These grant commitments are not provided as liabilities in the financial statements. The amounts represent future amounts of research grants offered at the balance sheet date, which are subject to ongoing reviews and are payable out of future income, or are for research projects which have been agreed to commence after the balance sheet date.

THE JGW PATTERSON FOUNDATION

England & Wales - Charity number 1094086

Accounts

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2022

Registered company number 04388927
Registered charity number 1094086

JOSEPH MILLER
Chartered Accountants
Newcastle upon Tyne

THE JGW PATTERSON FOUNDATION
REPORT AND FINANCIAL STATEMENTS
31 MARCH 2022

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THE JGW PATTERSON FOUNDATION
REFERENCE AND ADMINISTRATIVE DETAILS

31 MARCH 2022

Charity number: 1094086 **Company number:** 04388927

Trustees

S T Gilroy
Prof Sir A W Craft (Chairman)
D R Gold
Prof T E Cawston
J C Dias
Prof S C Clifford
Prof D A Young

Secretary

Mrs P Aitken

Website: <https://jgwpattersonfoundation.co.uk>

Registered office

The Cube
Barrack Road
Newcastle upon Tyne
NE4 6DB

Accountants

Joseph Miller
Milburn House
Dean Street
Newcastle upon Tyne
NE1 1LE

Bankers

Allied Irish Bank (GB)
1 Trinity Gardens
Broad Chare
Newcastle upon Tyne
NE1 2HF

Managing agent

Lambert Smith Hampton
Suite One
St Ann's Quay
Newcastle upon Tyne
NE1 3BD

Auditors

Stephenson Coates Audit
Limited
West 2
Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

Solicitors

Sintons LLP
The Cube
Barrack Road
Newcastle upon Tyne
NE4 6DB

Investment advisers

Abrdn Capital Limited
1 George Street
Edinburgh
EH2 2LL

THE JGW PATTERSON FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2022

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2022 which are also prepared to meet the requirements for a directors' report and financial statements for Company Act purposes.

Reference and administrative details set out on page 1 form part of this report. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland – Charities SORP FRS 102 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, governance and management

Governing document

The charity is a company limited by guarantee, incorporated on 7 March 2002 and registered as a charity on 8 October 2002. It is governed by its memorandum and articles of association.

Appointment of trustees

The charity may by ordinary resolution appoint, and the trustees may co-opt, any person either to fill a vacancy or as an additional trustee, but a co-opted trustee holds office only until the next AGM. At each AGM, one third of the trustees retire by rotation. The trustees appoint one of their number to be the chairman of their meetings.

The trustees for the purpose of charity law, who are also directors for the purpose of company law, who served during the year and up to the date of this report are set out on page 1.

Induction and training of trustees

New trustees are briefed on the powers and responsibilities of the trustees and the sub-committees, the grant making process, investments and the recent financial performance of the charity.

Organisation

The charity is managed by the trustees, who meet quarterly. The number of trustees may not be less than three, but is not subject to any maximum. The quorum for the transaction of business is one third of the trustees or two trustees, whichever is greater. Investment and property sub-committees have been established, with three trustees sitting on each sub-committee.

Risk management

The trustees have carried out a detailed risk assessment to identify the major governance, financial, operational and compliance risks which the charity faces and this is reviewed each year. Procedures have been established to enable the trustees to monitor and mitigate those risks.

Objectives and activities

The aim of The JGW Patterson Foundation is to advance the education of the public by the provision of grants to fund research into rheumatology, cancer and the relief of arthritis and to disseminate the useful results thereof. The objects also include the provision of equipment or grants for equipment and / or caring services to assist with the relief of sickness caused by rheumatological problems, arthritis and / or cancer, such equipment or grants for equipment and / or caring services not normally being provided by the Local Health Authority.

In planning and carrying out the charity's activities for the year, the trustees have considered the guidance produced by the Charity Commission on public benefit and are confident that this is achieved through the grants made.

Grant making policy

Under the terms of the charity's memorandum and articles of association, the trustees may expend the funds of the charity in such manner as they consider most beneficial for the achievement of the objects set out above.

THE JGW PATTERSON FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2022

Grant making policy (continued)

The area of benefit is the North East of England, including Tyne and Wear, Northumberland, Durham and Cumbria.

Applications are invited from organisations and individuals within the relevant fields. The charity will support both clinical and laboratory research which is designed to further the understanding of disease, improve treatment, or promote best practice. Research grant applications are subject to peer review.

The trustees will consider these applications and grants will be made where it is thought most appropriate and effective. It is a condition of funding that the trustees receive regular reports on the use of the funds and the results of the research.

Achievements and performance

The charity has continued to support research that aims to understand the causes of arthritis in order to devise new and effective treatments and has awarded grants that aim to investigate mechanisms relevant to both osteoarthritis and rheumatoid arthritis. Some projects have led to further funding from National Bodies and Newcastle now hosts both Programme and Centre grants from Medical Research Council, Versus Arthritis (formerly Arthritis Research UK) and the Dunhill Medical Trust. Grants have also been made to charities that focus on arthritis patient care.

The cancer projects are mainly carried out in the Newcastle University Centre for Cancer. The overall aim of the Centre is to understand better the biology of cancer in order to tailor treatment to individuals, and to identify targets within the cancers where it might be possible to develop new cancer drugs. Medicinal chemistry is an integral part of many projects. Each year the charity gives small grants to local hospices for caring services and the provision of equipment to enhance the lives of patients whom they care for.

For both rheumatology and cancer, the charity funds short term pump-priming projects, most of which go on to attract major national funding. The charity also funds PhD students to encourage the best young graduates to develop a career in research. It has established two PhD arthritis studentships and three PhD cancer studentships in memory of Andrew Walker, Peter May and Philip Robson.

Most of our grants go to Newcastle University, but we have also funded Northumbria University and the University of Durham.

Total grants payable in the year amounted to £646,113 as shown in note 5 to the financial statements. Of this total, 42% was for research into rheumatology and arthritis, 39% for cancer research and the remaining 19% for hospices and cancer patient care.

Financial review

The principal sources of unrestricted income comprised rents, dividends and interest receivable amounting to £954,172 (2021: £967,169). Grants payable in the year were £646,113 (2021: £602,221), creating net expenditure of £17,206 (2021: net income of £116,761).

Reserves policy

It is the policy of the charity to maintain unrestricted funds not invested in fixed assets (the free reserves) at an appropriate level to cover any gap that may arise between investment income and grants payable and other expenditure. In recent years, the target level of reserves has been set at £100,000.

The free reserves at 31 March 2022 were £146,921 (2021: £164,127) which is slightly higher than the target level. However, the pattern of grant making depends on the timing and quality of applications, and the start dates of the projects concerned. The trustees therefore consider this to be appropriate at the current time. The policy and reserves position will continue to be reviewed each financial year.

THE JGW PATTERSON FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2022

Investment policy and performance

The memorandum and articles of association permit the charity to acquire and to charge or otherwise dispose of property and to invest funds in any manner as the trustees may see fit.

The charity has a detailed investment policy with the aim of achieving appropriately diversified investments. The managing agent advises on a property portfolio of £9.4 million, comprising approximately £1.9 million for residential and £7.5 million for commercial properties. External managers advise on an investment portfolio of approximately £9 million.

The total return for the year on the investment portfolio was 6.9% (2021: 25.1%) compared with the benchmark of 9.6% (2021: 23.6%).

Plans for future periods

New grant applications continue to be considered with reference to the charity's available income.

Responsibilities of the trustees

The trustees (who are also the directors of The JGW Patterson Foundation for the purposes of company law) 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).

Company law 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 charitable company and of the income and application of resources, including the income or expenditure, of the charitable company for that year. 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

On behalf of the trustees

D R Gold
Trustee
19 December 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE JGW PATTERSON FOUNDATION

Opinion

We have audited the financial statements of The JGW Patterson Foundation ('the charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, including the income and expenditure account, the balance sheet, the statement of cash flows 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 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 *Companies Act* 2006.

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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charitable company 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 charitable company's ability to continue as a going concern for a period of at least 12 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 other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE JGW PATTERSON FOUNDATION

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we required for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 4, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal controls 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE JGW PATTERSON FOUNDATION

Auditor's responsibilities for the audit of the financial statements *(continued)*

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant identified that directly affect the financial statements include financial reporting legislation (including related companies' legislation), the Charities Act 2011 and UK taxation legislation. The charitable company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Health and Safety, Employment Law and Data Protection regulations, recognising the nature of the charitable company's activities.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquiries of trustees and Key Management Personnel as to where they consider there to be susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override, including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with the *Companies Act 2006*, Chapter 3, Part 16. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Oswald (Senior statutory auditor)
For and on behalf of Stephenson Coates Audit Limited
Statutory Auditors

West 2 Asama Court
Newcastle Business Park
Newcastle upon Tyne

Date: 19 December 2022

THE JGW PATTERSON FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted funds £	Endowment Fund £	Total 2022 £	Total 2021 £
Income from:					
Investments	3	954,172	-	954,172	967,169
Total income		<u>954,172</u>	<u>-</u>	<u>954,172</u>	<u>967,169</u>
Expenditure on:					
Raising funds	4	271,226	72,164	343,390	272,351
Charitable activities	6	700,152	-	700,152	644,265
Total expenditure		<u>971,378</u>	<u>72,164</u>	<u>1,043,542</u>	<u>916,616</u>
Net gains (losses) on investments:					
(Losses) gains on revaluation of investments	8	-	(63,322)	(63,322)	486,267
Realised (losses) gains on disposal of investments		-	(104,991)	(104,991)	81,808
		<u>-</u>	<u>(168,313)</u>	<u>(168,313)</u>	<u>568,075</u>
Net income (expenditure) and net movement in funds		<u>(17,206)</u>	<u>(240,477)</u>	<u>(257,683)</u>	<u>618,628</u>
Reconciliation of funds					
Total funds brought forward		164,127	19,085,879	19,250,006	18,631,378
Total funds carried forward		<u>146,921</u>	<u>18,845,402</u>	<u>18,992,323</u>	<u>19,250,006</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derives from continuing activities.

The notes on pages 12 to 18 form part of these financial statements.

THE JGW PATTERSON FOUNDATION

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
Gross income	954,172	967,169
Total expenditure	(971,378)	(850,408)
Net (expenditure) income for the year	<u>(17,206)</u>	<u>116,761</u>

All income and expenditure derives from continuing activities.

Total income of £954,172 (2021: £967,169) comprises unrestricted income only. A detailed analysis of income by source is provided in the statement of financial activities.

Detailed analysis of expenditure is provided in the statement of financial activities and notes 4 to 7.

The summary income and expenditure account is derived from the statement of financial activities on page 8 and excludes all income and expenditure on the Endowment Fund. The statement of financial activities, together with the notes on pages 12 to 18, provides full information on the movements during the year on all funds of the charity.

THE JGW PATTERSON FOUNDATION

BALANCE SHEET

Company number: 04388927

AS AT 31 MARCH 2022

	Note	£	2022 £	2021 £
Fixed assets				
Investments	8		18,447,096	18,852,535
Current assets				
Debtors	9	423,994		319,753
Cash at bank		498,658		385,400
		<u>922,652</u>		<u>705,153</u>
Creditors: amounts falling due within one year	10	<u>(377,425)</u>		<u>(301,849)</u>
Net current assets			545,227	403,304
Total assets less current liabilities			<u>18,992,323</u>	<u>19,255,839</u>
Creditors: amounts falling due after more than one year	11		-	(5,833)
Net assets			<u>18,992,323</u>	<u>19,250,006</u>
Funds of the charity				
Endowment Fund	12		18,845,402	19,085,879
Unrestricted income funds	12		146,921	164,127
Total charity funds			<u>18,992,323</u>	<u>19,250,006</u>

The financial statements were approved by the trustees of The JGW Patterson Foundation on 19 December 2022 and were signed on their behalf by:

Mr D R Gold
Trustee

The notes on pages 12 to 18 form part of these financial statements

THE JGW PATTERSON FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
Cash flows from operating activities:		
Net cash used in operating activities (a)	<u>(1,078,040)</u>	<u>(993,495)</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	954,172	967,169
Sale of property		211,496
Purchase of investments	(1,899,246)	(1,077,003)
Proceeds from sale of investments	2,096,091	1,320,805
Net cash provided by investing activities	<u>1,151,017</u>	<u>1,422,467</u>
Change in cash in the year ended 31 March 2022	72,977	428,972
Cash at 1 April 2021	869,993	441,021
Cash at 31 March 2022 (b)	<u>942,970</u>	<u>869,993</u>

(a) Reconciliation of net expenditure to net cash flow from operating activities

Net income for the year ended 31 March 2022 (as per the statement of financial activities)	(257,683)	618,628
Adjustments for:		
Gains on investments	168,313	(568,075)
Dividends, interest and rents from investments	(954,172)	(967,169)
Increase in debtors	(104,241)	(18,037)
Increase (decrease) in creditors	69,743	(58,842)
Net cash used in operating activities	<u>(1,078,040)</u>	<u>(993,495)</u>

(b) Analysis of cash at 31 March 2022

Cash with Allied Irish Bank Plc - current account	486,583	373,449
Cash with Cambridge & Counties Bank Limited - 95 day notice account	<u>12,075</u>	<u>11,951</u>
	498,658	385,400
Cash held by investment adviser	<u>444,312</u>	<u>484,593</u>
	<u>942,970</u>	<u>869,993</u>

THE JGW PATTERSON FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. It is registered in England and Wales. The address of the registered office is The Cube, Barrick Road, Newcastle upon Tyne, NE4 6DB. The liability of each member in the event of winding up is limited to £10.

2. Accounting policies

a) Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes. They have been prepared in accordance with 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 - Charities SORP FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The JGW Patterson Foundation meets the definition of a public benefit entity under FRS102.

The financial statements are prepared in sterling which is the functional and presentational currency of the charity.

b) Preparation of the financial statements on a going concern basis

The charity has reviewed its cash flow forecasts and there is a reasonable expectation that it has adequate resources to continue in operational existence for at least the next twelve months and on this basis the charity is considered to be a going concern.

c) Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees' are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical judgements made by the trustees that have a significant effect on the amounts recognised in the financial statements are in respect of the fair value of investment properties.

d) Fund accounting - Endowment Fund

Unrestricted income fund

The income fund is credited with the investment income arising from the charity's investments and is charged with grants made by the charity, costs of raising funds and support and governance costs. Any surplus on the income fund is carried forward and available for future grants.

Endowment fund

This represents donations made by Mr JGW Patterson during his lifetime and a legacy from his estate following his death. Although the Endowment Fund is expendable at the trustees' discretion, a grant made out of capital would normally involve the sale of investments and would only be made in exceptional circumstances.

e) Fixed asset investments:

Listed investments

Investments are a form of basic financial instrument and are initially recognised at cost and subsequently measured at their fair value as at the balance sheet date using the closing quoted market value using the bid price.

THE JGW PATTERSON FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies *(continued)*

e) Fixed asset investments *(continued)* :

Listed investments *(continued)*

Gains or losses arising on revaluation or disposal are recognised in the statement of financial activities in the funds in which the investments are held.

Investment properties

The charity classifies land and buildings as investment properties when they are held to earn rentals or for capital appreciation, or both. Investment properties are initially measured at cost which comprises the purchase price and any directly attributable expenditure. Investment properties are subsequently remeasured to fair value (which for this purpose is market value) at each reporting date with changes in the fair value recognised in the statement of financial activities.

f) Cash at bank

Cash at bank includes a current account and a 95 day notice business savings account.

g) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation 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.

h) Financial instruments

With the exception of investments described above, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement value.

i) Income recognition

All income is included in the statement of financial activities when the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The following specific policies are applied to particular categories of income:

Investment income such as dividends and interest are included when receivable.

Income from charitable activities includes income from rents and service charges which are recognised on a straight-line basis over the term of the lease.

j) Expenditure recognition

Expenditure is recognised as soon as there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure on raising funds comprises those costs relating to financing, managing and maintaining the investment properties and certain legal and professional fees.

Charitable expenditure comprises all costs of activities in furtherance of the objects of the charity.

THE JGW PATTERSON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

j) Expenditure recognition *(continued)*

Grants payable are recorded once the charity has made an unconditional commitment to pay the grant which is communicated to the beneficiary or the grant has been paid, whichever is the earlier. Grants offered subject to conditions which have not been met at the balance sheet date are noted as a commitment, but not provided as expenditure.

Governance costs represents expenditure incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Where support costs relate to more than one activity, they are allocated on the basis of time spent.

3. Investment income

	Unrestricted funds £	Endowment Fund £	Total 2022	Total 2021 £
Rent receivable	738,290	-	738,290	784,761
Interest receivable on cash deposits	117	-	117	328
Dividends and interest receivable	215,765	-	215,765	182,080
	954,172	-	954,172	967,169

4. Raising funds:

Investment management costs

	Unrestricted funds £	Endowment Fund £	Total 2022 £	Total 2021 £
Property management fees	44,085	-	44,085	40,954
Property repairs and maintenance	143,267	-	143,267	86,851
Property rates and water	28,554	-	28,554	9,583
Property insurance	39,630	-	39,630	28,135
Irrecoverable rent arrears	(362)	-	(362)	20,639
Investment management fees	7,572	68,149	75,721	67,606
Legal fees	8,480	-	8,480	15,410
Accountancy fees	-	4,015	4,015	3,173
	271,226	72,164	343,390	272,351

5. Grants

	Number of grants	Total 2022 £	Number of grants	Total 2021 £
Analysis of grants				
Rheumatology and arthritis research	6	269,600	4	170,592
Cancer research	6	253,738	9	341,319
Hospices and cancer patient care	12	122,775	9	90,310
	24	646,113	22	602,221

THE JGW PATTERSON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

5. Grants (continued)

Recipients of institutional grants	Number of grants	Total 2022 £	Number of grants	Total 2021 £
Newcastle University	12	525,504	11	474,931
Marie Curie Hospice	2	25,000	1	17,174
St Cuthberts Hospice Durham	1	20,081	-	-
St Oswald's Hospice	1	15,000	-	-
Tynedale Hospice at Home	1	15,000	1	15,000
Butterwick Hospice Care	2	15,000	1	15,000
HospiceCare North Northumberland	1	12,000	-	-
Eden Valley Hospice	1	6,500	-	-
Alice House Hospice	1	6,000	1	4,000
Durham University	-	-	1	32,114
Hospice at Home West Cumbria	1	5,194	1	6,936
Willow Foundation	1	3,000	-	-
Teeside Hospice	-	-	1	14,000
Maggies Newcastle	-	-	1	10,000
Teenage Cancer Trust	-	-	1	5,000
Great North Children's Hospital and Royal Manchester Children's Hospital	-	-	1	4,866
World Cancer Research Fund	-	-	1	4,000
Clowns in the Sky	-	-	-	(800)
University of Sunderland Middleton	-	(2,166)	-	-
	24	646,113	22	602,221

6. Total expenditure

	Unrestricted funds £	Endowment Fund £	Total 2022 £	Total 2021 £
Charitable activities:				
Grants payable (note 5)	646,113	-	646,113	602,221
Support costs:				
Legal fees	11,750	-	11,750	6,750
Accountancy fees	8,030	-	8,030	6,350
Administrative support	9,000	-	9,000	8,612
Website costs	216	-	216	372
	675,109	-	675,109	624,305
Governance costs:				
Bank charges	250	-	250	256
Trustees' indemnity insurance	5,019	-	5,019	3,947
Legal fees	2,937	-	2,937	1,688
Audit fee	3,020	-	3,020	2,660
Accountancy fees	13,817	-	13,817	11,409
	25,043	-	25,043	19,960
Total expenditure on charitable activities	700,152	-	700,152	644,265

THE JGW PATTERSON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

7. Trustees' remuneration and related party transactions

The trustees did not receive any emoluments during the year and were not paid or reimbursed for any expenses.

The charity considers its key management personnel to be the trustees.

Accountancy fees of £25,862 (2021: £20,932) were payable to Joseph Miller, the charity's accountants.

Mr DR Gold is a partner in that firm.

Payment of professional charges is permitted under paragraph 5(1) of the charity's memorandum of association.

8. Fixed asset investments

	2022	2021
	£	£
Investments at fair value comprised:		
i) Listed investments		
At 1 April 2021	8,575,284	7,992,342
Cash available for reinvestment by investment advisers	444,312	484,593
ii) Investment properties	9,427,500	10,375,600
	<u>18,447,096</u>	<u>18,852,535</u>
i) Listed investments		
At 1 April 2021	7,992,342	6,640,785
Additions at cost	1,890,846	1,061,283
Disposals at carrying value	(1,949,082)	(1,228,993)
Unrealised gains on revaluation	641,178	1,519,267
At 31 March 2022	<u>8,575,284</u>	<u>7,992,342</u>
Historical cost at 31 March 2022	<u>5,701,475</u>	<u>5,210,558</u>
ii) Investment properties		
At 1 April 2021	10,375,600	11,614,380
Additions at cost	8,400	15,720
Disposals at carrying value	(252,000)	(221,500)
Unrealised loss on revaluation	(704,500)	(1,033,000)
At 31 March 2022	<u>9,427,500</u>	<u>10,375,600</u>
Historical cost at 31 March 2022	<u>9,289,536</u>	<u>10,114,800</u>

All investments are carried at their fair value. Investments in equities and fixed interest securities are all traded in quoted public markets. The basis of fair value for quoted investments is equivalent to the market value using the bid price.

The investment properties were valued by the trustees at 31 March 2022, at market value for existing use. However, there remains significant uncertainty in the UK property market which has inevitably increased the degree of judgement involved in the property valuations at 31 March 2022.

THE JGW PATTERSON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

9. Debtors	2022	2021
	£	£
Other debtors:		
Rents due	194,861	194,801
Funds held by managing agent	195,800	109,735
Grants repayable	-	2,020
Dividends and interest receivable	11,893	5,886
Prepayments and accrued income	21,440	7,311
	<u>423,994</u>	<u>319,753</u>

10. Creditors: amounts falling due within one year	2022	2021
	£	£
Trade creditors	8,377	21,303
Value added tax	49,805	18,350
Accruals	69,667	51,796
Grants payable	129,115	49,444
Other creditors	2,575	8,825
Deferred lease premium	5,833	10,000
Deferred income	112,053	142,131
	<u>377,425</u>	<u>301,849</u>

Deferred income comprises rental income receivable in advance of the period to which it relates.

11. Creditors: amounts falling due after more than one year	2022	2021
	£	£
Deferred lease premium	-	5,833

12. Analysis of net assets between funds	Fixed asset investments	Net current assets	Long term liabilities	Total 2022	Total 2021
	£	£	£	£	£
Endowment Fund	18,447,096	398,306	-	18,845,402	19,085,879
Unrestricted income funds	-	146,921	-	146,921	164,127
	<u>18,447,096</u>	<u>545,227</u>	<u>-</u>	<u>18,992,323</u>	<u>19,250,006</u>

THE JGW PATTERSON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

12. Analysis of net assets between funds *(continued)*

Analysis of net assets between funds - previous year

	Fixed asset investments £	Net current assets £	Long term liabilities £	Total 2021 £	Total 2020 £
Endowment Fund	18,852,535	233,344	-	19,085,879	18,584,012
Unrestricted income funds	-	169,960	(5,833)	164,127	47,366
	<u>18,852,535</u>	<u>403,304</u>	<u>(5,833)</u>	<u>19,250,006</u>	<u>18,631,378</u>

13. Grant commitments

	2022 £	2021 £
Commitments payable in under 1 year	278,842	264,969
Commitments payable in over 1 year	42,612	138,536
Amount of commitments as at 31 March 2022	<u>321,454</u>	<u>403,505</u>

These grant commitments are not provided as liabilities in the financial statements. The amounts represent future amounts of research grants offered at the balance sheet date, which are subject to ongoing reviews and are payable out of future income, or are for research projects which have been agreed to commence after the balance sheet date.

THE JGW PATTERSON FOUNDATION

England & Wales - Charity number 1094086

Accounts

THE JGW PATTERSON FOUNDATION
(A charitable company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2021

Registered company number 04388927
Registered charity number 1094086

JOSEPH MILLER
Chartered Accountants
Newcastle upon Tyne

THE JGW PATTERSON FOUNDATION
REPORT AND FINANCIAL STATEMENTS
31 MARCH 2021

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THE JGW PATTERSON FOUNDATION
REFERENCE AND ADMINISTRATIVE DETAILS

31 MARCH 2021

Charity number: 1094086 **Company number:** 04388927

Trustees

S T Gilroy
Prof Sir A W Craft (Chairman)
D R Gold
Prof T E Cawston
J C Dias
Prof S C Clifford
D A Young

Secretary

Mrs P Aitken

Website: <https://jgwpattersonfoundation.co.uk>

Registered office

The Cube
Barrack Road
Newcastle upon Tyne
NE4 6DB

Accountants

Joseph Miller
Milburn House
Dean Street
Newcastle upon Tyne
NE1 1LE

Bankers

Allied Irish Bank (GB)
1 Trinity Gardens
Broad Chare
Newcastle upon Tyne
NE1 2HF

Managing agent

Lambert Smith Hampton
41-51 Grey Street
Newcastle upon Tyne
NE1 6EE

Auditors

Stephenson Coates Audit
Limited
West 2
Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

Solicitors

Sintons LLP
The Cube
Barrack Road
Newcastle upon Tyne
NE4 6DB

Investment advisers

Aberdeen Standard Capital
1 George Street
Edinburgh
EH2 2LL

THE JGW PATTERSON FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2021

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2021 which are also prepared to meet the requirements for a directors' report and financial statements for Company Act purposes.

Reference and administrative details set out on page 1 form part of this report. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland – Charities SORP FRS 102 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, governance and management

Governing document

The charity is a company limited by guarantee, incorporated on 7 March 2002 and registered as a charity on 8 October 2002. It is governed by its memorandum and articles of association.

Appointment of trustees

The charity may by ordinary resolution appoint, and the trustees may co-opt, any person either to fill a vacancy or as an additional trustee, but a co-opted trustee holds office only until the next AGM. At each AGM, one third of the trustees retire by rotation. The trustees appoint one of their number to be the chairman of their meetings.

The trustees for the purpose of charity law, who are also directors for the purpose of company law, who served during the year and up to the date of this report are set out on page 1.

Induction and training of trustees

New trustees are briefed on the powers and responsibilities of the trustees and the sub-committees, the grant making process, investments and the recent financial performance of the charity.

Organisation

The charity is managed by the trustees, who meet quarterly. The number of trustees may not be less than three, but is not subject to any maximum. The quorum for the transaction of business is one third of the trustees or two trustees, whichever is greater. Investment and property sub-committees have been established, with three trustees sitting on each sub-committee.

Risk management

The trustees have carried out a detailed risk assessment to identify the major governance, financial, operational and compliance risks which the charity faces and this is reviewed each year. Procedures have been established to enable the trustees to monitor and mitigate those risks.

Objectives and activities

The aim of The JGW Patterson Foundation is to advance the education of the public by the provision of grants to fund research into rheumatology, cancer and the relief of arthritis and to disseminate the useful results thereof. The objects also include the provision of equipment or grants for equipment and / or caring services to assist with the relief of sickness caused by rheumatological problems, arthritis and / or cancer, such equipment or grants for equipment and / or caring services not normally being provided by the Local Health Authority.

In planning and carrying out the charity's activities for the year, the trustees have considered the guidance produced by the Charity Commission on public benefit and are confident that this is achieved through the grants made.

Grant making policy

Under the terms of the charity's memorandum and articles of association, the trustees may expend the funds of the charity in such manner as they consider most beneficial for the achievement of the objects set out above.

THE JGW PATTERSON FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2021

Grant making policy (continued)

The area of benefit is the North East of England, including Tyne and Wear, Northumberland, Durham and Cumbria.

Applications are invited from organisations and individuals within the relevant fields. The charity will support both clinical and laboratory research which is designed to further the understanding of disease, improve treatment, or promote best practice. Research grant applications are subject to peer review.

The trustees will consider these applications and grants will be made where it is thought most appropriate and effective. It is a condition of funding that the trustees receive regular reports on the use of the funds and the results of the research.

Achievements and performance

The charity has continued to support research that aims to understand the causes of arthritis in order to devise new and effective treatments and has awarded grants that aim to investigate mechanisms relevant to both osteoarthritis and rheumatoid arthritis. Some projects have led to further funding from National Bodies and Newcastle now hosts both Programme and Centre grants from Medical Research Council, Versus Arthritis (formerly Arthritis Research UK) and the Dunhill Medical Trust. Grants have also been made to charities that focus on arthritis patient care.

The cancer projects are mainly carried out in the Newcastle University Centre for Cancer. The overall aim of the Centre is to understand better the biology of cancer in order to tailor treatment to individuals, and to identify targets within the cancers where it might be possible to develop new cancer drugs. Medicinal chemistry is an integral part of many projects. Each year the charity gives small grants to local hospices for caring services and the provision of equipment to enhance the lives of patients whom they care for.

For both rheumatology and cancer, the charity funds short term pump-priming projects, most of which go on to attract major national funding. The charity also funds PhD students to encourage the best young graduates to develop a career in research. It has established two PhD arthritis studentships and three PhD cancer studentships in memory of Andrew Walker, Peter May and Philip Robson.

Most of our grants go to Newcastle University, but we have also funded Northumbria University and the University of Durham.

Total grants payable in the year amounted to £602,221 as shown in note 5 to the financial statements. Of this total, 28% was for research into rheumatology and arthritis, 57% for cancer research and the remaining 15% for hospices and cancer patient care.

Financial review

The principal sources of unrestricted income comprised rents, dividends and interest receivable amounting to £967,169 (2020: £1,061,315). Grants payable in the year were £602,221 (2020: £865,593), creating net income of £116,761 (2020: net expenditure of £88,613).

Reserves policy

It is the policy of the charity to maintain unrestricted funds not invested in fixed assets (the free reserves) at an appropriate level to cover any gap that may arise between investment income and grants payable and other expenditure. In recent years, the target level of reserves has been set at £100,000.

The free reserves at 31 March 2021 were £164,127 (2020: £47,366) which is slightly higher than the target level. However, the pattern of grant making depends on the timing and quality of applications, and the start dates of the projects concerned. The trustees therefore consider this to be appropriate at the current time. The policy and reserves position will continue to be reviewed each financial year.

THE JGW PATTERSON FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2021

Investment policy and performance

The memorandum and articles of association permit the charity to acquire and to charge or otherwise dispose of property and to invest funds in any manner as the trustees may see fit.

The charity has a detailed investment policy with the aim of achieving appropriately diversified investments. The managing agent advises on a property portfolio of £10.4 million, comprising approximately £2.1 million for residential and £8.3 million for commercial properties. External managers advise on an investment portfolio of approximately £8.5 million.

The total return for the year on the investment portfolio was 25.1% (2020: -2.3%) compared with the benchmark of 23.6% (2020: -7.8%).

Plans for future periods

New grant applications continue to be considered with reference to the charity's available income.

The continuing impact of the COVID-19 pandemic is referred to in note 14 of the financial statements.

Responsibilities of the trustees

The trustees (who are also the directors of The JGW Patterson Foundation for the purposes of company law) 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).

Company law 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 charitable company and of the income and application of resources, including the income or expenditure, of the charitable company for that year. 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

On behalf of the trustees

Mr D R Gold
Trustee
19 January 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE JGW PATTERSON FOUNDATION

Opinion

We have audited the financial statements of The JGW Patterson Foundation ('the charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, including the income and expenditure account, the balance sheet, the statement of cash flows 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 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 *Companies Act* 2006.

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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charitable company 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 charitable company's ability to continue as a going concern for a period of at least 12 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 other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE JGW PATTERSON FOUNDATION

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we required for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 4, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal controls 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE JGW PATTERSON FOUNDATION

Auditor's responsibilities for the audit of the financial statements *(continued)*

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the trustees and other management. The most significant identified that directly affect the financial statements include financial reporting legislation (including related companies' legislation), the Charities Act 2011 and UK taxation legislation. The charitable company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Health and Safety, Employment Law and Data Protection regulations, recognising the nature of the charitable company's activities.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquiries of trustees and Key Management Personnel as to where they consider there to be susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override, including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with the *Companies Act 2006*, Chapter 3, Part 16. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Oswald (Senior statutory auditor)
For and on behalf of Stephenson Coates Audit Limited
Statutory Auditors

Date: 25 January 2022

West 2 Asama Court
Newcastle Business Park
Newcastle upon Tyne

THE JGW PATTERSON FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds £	Endowment Fund £	Total 2021 £	Total 2020 £
Income from:					
Investments	3	967,169	-	967,169	1,061,315
Total income		967,169	-	967,169	1,061,315
Expenditure on:					
Raising funds	4	206,143	66,208	272,351	308,767
Charitable activities	6	644,265	-	644,265	901,655
Total expenditure		850,408	66,208	916,616	1,210,422
Net gains (losses) on investments:					
Gains (losses) on revaluation of investments	8	-	486,267	486,267	(1,403,188)
Realised gains on disposal of investments		-	81,808	81,808	49,596
		-	568,075	568,075	(1,353,592)
Net income (expenditure) and net movement in funds		116,761	501,867	618,628	(1,502,699)
Reconciliation of funds					
Total funds brought forward		47,366	18,584,012	18,631,378	20,134,077
Total funds carried forward		164,127	19,085,879	19,250,006	18,631,378

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derives from continuing activities.

The notes on pages 12 to 18 form part of these financial statements.

THE JGW PATTERSON FOUNDATION

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£	£
Gross income	967,169	1,061,315
Total expenditure	(850,408)	(1,149,928)
Net income (expenditure) for the year	<u>116,761</u>	<u>(88,613)</u>

All income and expenditure derives from continuing activities.

Total income of £967,169 (2020: £1,061,315) comprises unrestricted income only. A detailed analysis of income by source is provided in the statement of financial activities.

Detailed analysis of expenditure is provided in the statement of financial activities and notes 4 to 7.

The summary income and expenditure account is derived from the statement of financial activities on page 8 and excludes all income and expenditure on the Endowment Fund. The statement of financial activities, together with the notes on pages 12 to 18, provides full information on the movements during the year on all funds of the charity.

THE JGW PATTERSON FOUNDATION

BALANCE SHEET

Company number: 04388927

AS AT 31 MARCH 2021

	Note	£	2021 £	2020 £
Fixed assets				
Investments	8		18,852,535	18,536,222
Current assets				
Debtors	9	319,753		301,716
Cash at bank		385,400		159,964
		<u>705,153</u>		<u>461,680</u>
Creditors: amounts falling due within one year	10	<u>(301,849)</u>		<u>(350,691)</u>
Net current assets			403,304	110,989
Total assets less current liabilities			<u>19,255,839</u>	<u>18,647,211</u>
Creditors: amounts falling due after more than one year	11		(5,833)	(15,833)
Net assets			<u>19,250,006</u>	<u>18,631,378</u>
Funds of the charity				
Endowment Fund	12		19,085,879	18,584,012
Unrestricted income funds	12		164,127	47,366
Total charity funds			<u>19,250,006</u>	<u>18,631,378</u>

The financial statements were approved by the trustees of The JGW Patterson Foundation on 19 January 2022 and were signed on their behalf by:

Mr D R Gold
Trustee

The notes on pages 12 to 18 form part of these financial statements

THE JGW PATTERSON FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£	£
Cash flows from operating activities:		
Net cash used in operating activities (a)	<u>(993,495)</u>	<u>(1,251,095)</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	967,169	1,061,315
Sale of property	211,496	52,525
Purchase of investments	(1,077,003)	(733,389)
Proceeds from sale of investments	1,320,805	742,193
Net cash provided by investing activities	<u>1,422,467</u>	<u>1,122,644</u>
Change in cash in the year ended 31 March 2021	428,972	(128,451)
Cash at 1 April 2020	441,021	569,472
Cash at 31 March 2021 (b)	<u>869,993</u>	<u>441,021</u>
 (a) Reconciliation of net expenditure to net cash flow from operating activities	 2021	 2020
	£	£
Net income (expenditure) for the year ended 31 March 2021 (as per the statement of financial activities)	618,628	(1,502,699)
Adjustments for:		
(Gains) losses on investments	(568,075)	1,353,592
Dividends, interest and rents from investments	(967,169)	(1,061,315)
(Increase) in debtors	(18,037)	(25,282)
(Decrease) in creditors	(58,842)	(15,391)
Net cash used in operating activities	<u>(993,495)</u>	<u>(1,251,095)</u>
 (b) Analysis of cash at 31 March 2021		
Cash with Allied Irish Bank Plc - current account	373,449	148,196
Cash with Cambridge & Counties Bank Limited - 95 day notice account	11,951	11,768
	<u>385,400</u>	<u>159,964</u>
Cash held by investment adviser	484,593	281,057
	<u>869,993</u>	<u>441,021</u>

THE JGW PATTERSON FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. It is registered in England and Wales. The address of the registered office is The Cube, Barrick Road, Newcastle upon Tyne, NE4 6DB. The liability of each member in the event of winding up is limited to £10.

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes. They have been prepared in accordance with 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 - Charities SORP FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The JGW Patterson Foundation meets the definition of a public benefit entity under FRS102.

The financial statements are prepared in sterling which is the functional and presentational currency of the charity.

b) Preparation of the financial statements on a going concern basis

The charity has reviewed its cash flow forecasts and there is a reasonable expectation that it has adequate resources to continue in operational existence for at least the next twelve months and on this basis the charity is considered to be a going concern.

c) Fund accounting - Endowment Fund

Unrestricted income fund

The income fund is credited with the investment income arising from the charity's investments and is charged with grants made by the charity, costs of raising funds and support and governance costs. Any surplus on the income fund is carried forward and available for future grants.

Endowment fund

This represents donations made by Mr JGW Patterson during his lifetime and a legacy from his estate following his death. Although the Endowment Fund is expendable at the trustees' discretion, a grant made out of capital would normally involve the sale of investments and would only be made in exceptional circumstances.

d) Fixed asset investments:

Listed investments

Investments are a form of basic financial instrument and are initially recognised at cost and subsequently measured at their fair value as at the balance sheet date using the closing quoted market value using the bid price. Gains or losses arising on revaluation or disposal are recognised in the statement of financial activities in the funds in which the investments are held.

Investment properties

The charity classifies land and buildings as investment properties when they are held to earn rentals or for capital appreciation, or both. Investment properties are initially measured at cost which comprises the purchase price and any directly attributable expenditure. Investment properties are subsequently remeasured to fair value (which for this purpose is market value) at each reporting date with changes in the fair value recognised in the statement of financial activities.

THE JGW PATTERSON FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies *(continued)*

e) Cash at bank

Cash at bank includes a current account and a 95 day notice business savings account.

f) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation 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.

g) Financial instruments

With the exception of investments described above, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement value.

h) Income recognition

All income is included in the statement of financial activities when the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The following specific policies are applied to particular categories of income:

Investment income such as dividends and interest are included when receivable.

Income from charitable activities includes income from rents and service charges which are recognised on a straight-line basis over the term of the lease.

i) Expenditure recognition

Expenditure is recognised as soon as there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure on raising funds comprises those costs relating to financing, managing and maintaining the investment properties and certain legal and professional fees.

Charitable expenditure comprises all costs of activities in furtherance of the objects of the charity.

Grants payable are recorded once the charity has made an unconditional commitment to pay the grant which is communicated to the beneficiary or the grant has been paid, whichever is the earlier. Grants offered subject to conditions which have not been met at the balance sheet date are noted as a commitment, but not provided as expenditure.

Governance costs represents expenditure incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Where support costs relate to more than one activity, they are allocated on the basis of time spent.

THE JGW PATTERSON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

3. Investment income	Unrestricted funds £	Endowment Fund £	Total 2021	Total 2020 £
Rent receivable	784,761	-	784,761	847,563
Interest receivable on cash deposits	328	-	328	864
Dividends and interest receivable	182,080	-	182,080	212,888
	967,169	-	967,169	1,061,315

4. Raising funds:	Unrestricted funds £	Endowment Fund £	Total 2021 £	Total 2020 £
Investment management costs				
Property management fees	40,954	-	40,954	73,742
Property repairs and maintenance	86,851	-	86,851	111,076
Property rates and water	9,583	-	9,583	11,881
Property insurance	28,135	-	28,135	30,949
Irrecoverable rent arrears	20,639	-	20,639	5,805
Investment management fees	6,761	60,845	67,606	62,738
Legal fees	13,220	2,190	15,410	9,602
Accountancy fees	-	3,173	3,173	2,974
	206,143	66,208	272,351	308,767

5. Grants	Number of grants	Total 2021 £	Number of grants	Total 2020 £
Analysis of grants				
Rheumatology and arthritis research	4	170,592	10.5	416,995
Cancer research	9	341,319	12.5	404,496
Hospices and cancer patient care	9	90,310	7.0	44,102
	22	602,221	30	865,593

THE JGW PATTERSON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

5. Grants (continued)

Recipients of institutional grants	Number of grants	Total 2021 £	Number of grants	Total 2020 £
Newcastle University	11	474,931	18	664,061
Newcastle University and Leeds University	-	-	1	51,698
Northumbria University	-	-	1	47,021
Durham University	1	32,114	1	30,879
Marie Curie Hospice	1	17,174	-	-
Tynedale Hospice at Home	1	15,000	1	15,000
Butterwick Hospice Care	1	15,000	-	-
Teeside Hospice	1	14,000	-	-
Maggies Newcastle	1	10,000	-	-
Willow Burn, Derwentside Hospice Care Foundation	-	-	1	9,302
Hospice at Home West Cumbria	1	6,936	-	-
Teenage Cancer Trust	1	5,000	1	5,000
Willow Foundation	-	-	1	5,000
Tom's Trust	-	-	1	5,000
Great North Children's Hospital and Royal Manchester Children's Hospital	1	4,866	1	25,666
Alice House Hospice	1	4,000	1	4,000
World Cancer Research Fund	1	4,000	-	-
University of Sunderland	-	-	1	2,166
Clowns in the Sky	-	(800)	1	800
	22	602,221	30	865,593

6. Charitable activities

	Unrestricted funds £	Endowment Fund £	Total 2021 £	Total 2020 £
Charitable activities:				
Grants payable (note 5)	602,221	-	602,221	865,593
Support costs:				
Legal fees	6,750	-	6,750	8,696
Accountancy fees	6,350	-	6,350	5,952
Administrative support	8,612	-	8,612	1,551
Website costs	372	-	372	168
	624,305	-	624,305	881,960
Governance costs:				
Bank charges	256	-	256	264
Trustees' indemnity insurance	3,947	-	3,947	3,640
Legal fees	1,688	-	1,688	2,173
Audit fee	2,660	-	2,660	2,712
Accountancy fees	11,409	-	11,409	10,906
	19,960	-	19,960	19,695
Total expenditure on charitable activities	644,265	-	644,265	901,655

THE JGW PATTERSON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

7. Trustees' remuneration and related party transactions

The trustees did not receive any emoluments during the year and were not paid or reimbursed for any expenses.

The charity considers its key management personnel to be the trustees.

Accountancy fees of £20,932 (2020: £19,832) were payable to Joseph Miller, the charity's accountants.

Mr DR Gold is a partner in that firm.

Payment of professional charges is permitted under paragraph 5(1) of the charity's memorandum of association.

8. Fixed asset investments

	2021	2020
	£	£
Investments at fair value comprised:		
i) Listed investments	7,992,342	6,640,785
Cash available for reinvestment by investment advisers	484,593	281,057
ii) Investment properties	10,375,600	11,614,380
	<u>18,852,535</u>	<u>18,536,222</u>
 i) Listed investments		
At 1 April 2020	6,640,785	6,975,006
Additions at cost	1,061,283	710,589
Disposals at carrying value	(1,228,993)	(685,122)
Unrealised gains (losses) on revaluation	1,519,267	(359,688)
At 31 March 2021	<u>7,992,342</u>	<u>6,640,785</u>
Historical cost at 31 March 2021	<u>5,210,558</u>	<u>5,538,383</u>
 ii) Investment properties		
At 1 April 2020	11,614,380	12,695,080
Additions at cost	15,720	22,800
Disposals at carrying value	(221,500)	(60,000)
Unrealised loss on revaluation	(1,033,000)	(1,043,500)
At 31 March 2021	<u>10,375,600</u>	<u>11,614,380</u>
Historical cost at 31 March 2021	<u>10,114,800</u>	<u>10,791,630</u>

All investments are carried at their fair value. Investments in equities and fixed interest securities are all traded in quoted public markets. The basis of fair value for quoted investments is equivalent to the market value using the bid price.

The investment properties were valued by the trustees at 31 March 2021, at market value for existing use. Due to the continuing COVID-19 pandemic, the trustees' valuations are still subject to 'material valuation uncertainty'. Consequently, less certainty and a higher degree of caution, should be attached to the valuation than would normally be the case. The material valuation uncertainty' does not mean that the valuation cannot be relied upon. Rather, in the current extraordinary circumstances, less certainty can be attached to the valuation than would otherwise be the case.

THE JGW PATTERSON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

9. Debtors	2021	2020
	£	£
Other debtors:		
Rents due	194,801	210,430
Funds held by managing agent	109,735	75,182
Grants repayable	2,020	-
Dividends and interest receivable	5,886	4,643
Prepayments and accrued income	7,311	11,461
	<u>319,753</u>	<u>301,716</u>

10. Creditors: amounts falling due within one year	2021	2020
	£	£
Trade creditors	21,303	12,351
Value added tax	18,350	21,888
Accruals	51,796	33,844
Grants payable	49,444	137,394
Other creditors	8,825	4,825
Deferred lease premium	10,000	10,000
Deferred income	142,131	130,389
	<u>301,849</u>	<u>350,691</u>

Deferred income comprises rental income receivable in advance of the period to which it relates.

11. Creditors: amounts falling due after more than one year	2021	2020
	£	£
Deferred lease premium	<u>5,833</u>	<u>15,833</u>

12. Analysis of net assets between funds	Fixed asset investments £	Net current assets (liabilities) £	Long term liabilities £	Total 2021 £	Total 2020 £
Endowment Fund	18,852,535	233,344	-	19,085,879	18,584,012
Unrestricted income funds	-	169,960	(5,833)	164,127	47,366
	<u>18,852,535</u>	<u>403,304</u>	<u>(5,833)</u>	<u>19,250,006</u>	<u>18,631,378</u>

Analysis of net assets between funds - previous year

	Fixed asset investments £	Net current assets (liabilities) £	Long term liabilities £	Total 2020 £	Total 2019 £
Endowment Fund	18,536,222	47,790	-	18,584,012	19,998,098
Unrestricted income funds	-	63,199	(15,833)	47,366	135,979
	<u>18,536,222</u>	<u>110,989</u>	<u>(15,833)</u>	<u>18,631,378</u>	<u>20,134,077</u>

THE JGW PATTERSON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

13. Grant commitments	2021	2020
	£	£
Commitments payable in under 1 year	264,969	291,223
Commitments payable in over 1 year	138,536	290,068
Amount of commitments as at 31 March 2021	403,505	581,291

These grant commitments are not provided as liabilities in the financial statements. The amounts represent future amounts of research grants offered at the balance sheet date, which are subject to ongoing reviews and are payable out of future income, or are for research projects which have been agreed to commence after the balance sheet date.

14. Post balance sheet events

Due to the ongoing COVID-19 pandemic, it is likely that there will be a continued decrease in investment and property income during the current financial year, but at this stage, it is impossible to estimate the longer term financial effects on the charity. The trustees consider that the reserves and financial position of the charity mitigate any immediate risk, but there may need to be a reduction in the charity's grant making in line with any decrease in income.