

**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**

<b>Trustees</b>	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
<b>Company registered number</b>	04388927
<b>Charity registered number</b>	1094086
<b>Registered office</b>	The Cube Barrack Road Newcastle upon Tyne NE4 6DB
<b>Company secretary</b>	Mrs P Aitken
<b>Independent auditor</b>	Stephenson Coates Audit Limited West 2 Asama Court Newcastle Business Park Newcastle upon Tyne NE4 7YD
<b>Bankers</b>	Handelsbanken plc Earl Grey House 75-85 Grey Street Newcastle upon Tyne NE1 6EF
<b>Solicitors</b>	Sintons LLP The Cube Barrack Road Newcastle upon Tyne NE4 6DB
<b>Website</b>	<a href="https://jgwpattersonfoundation.co.uk">https://jgwpattersonfoundation.co.uk</a>

**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**

<b>Managing Agent</b>	Lambert Smith Hampton Suite One St Ann's Quay Newcastle upon Tyne NE1 3BD
<b>Accountants</b>	Armstrong Watson LLP One Strawberry Lane Newcastle upon Tyne NE1 4BX
<b>Investment Advisers</b>	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**  
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**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**  
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**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**  
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**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**  
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**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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

**THE JGW PATTERSON FOUNDATION**  
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**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 £
<b>Income from:</b>					
Investments	4	907,971	-	907,971	982,817
<b>Total income</b>		<b>907,971</b>	<b>-</b>	<b>907,971</b>	<b>982,817</b>
<b>Expenditure on:</b>					
Raising funds	5	200,917	77,278	278,195	308,987
Charitable activities		842,474	-	842,474	640,599
<b>Total expenditure</b>		<b>1,043,391</b>	<b>77,278</b>	<b>1,120,669</b>	<b>949,586</b>
Net gains/(losses) on investments		-	580,167	580,167	(675,640)
<b>Net movement in funds</b>		<b>(135,420)</b>	<b>502,889</b>	<b>367,469</b>	<b>(642,409)</b>
<b>Reconciliation of funds:</b>					
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)
<b>Total funds carried forward</b>		<b>111,263</b>	<b>18,606,120</b>	<b>18,717,383</b>	<b>18,349,914</b>

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

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

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 £
<b>Fixed assets</b>			
Investments	11	17,460,789	17,701,219
		<u>17,460,789</u>	<u>17,701,219</u>
<b>Current assets</b>			
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)
<b>Net current assets</b>		<u>1,256,594</u>	<u>648,695</u>
<b>Total assets less current liabilities</b>		<u>18,717,383</u>	<u>18,349,914</u>
<b>Total net assets</b>		<u><u>18,717,383</u></u>	<u><u>18,349,914</u></u>
<b>Charity funds</b>			
Endowment funds	14	18,606,120	18,103,231
Unrestricted funds	14	111,263	246,683
<b>Total funds</b>		<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**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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

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**  
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**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.

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**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**

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

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**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	-	<b>61,369</b>	54,223
Property repairs and maintenance	65,093	-	<b>65,093</b>	112,944
Property rates and water	5,558	-	<b>5,558</b>	3,752
Property insurance	31,220	-	<b>31,220</b>	32,694
Irrecoverable rent arrears	3,251	-	<b>3,251</b>	15,183
Investment management fees	7,297	65,671	<b>72,968</b>	70,016
Legal fees	27,129	6,102	<b>33,231</b>	16,658
Accountancy fees	-	5,505	<b>5,505</b>	3,517
	<u>200,917</u>	<u>77,278</u>	<u><b>278,195</b></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 £
<b>Analysis of grants</b>	<b>No.</b>		
Rheumatology and arthritis research	7	<b>286,227</b>	197,380
Cancer research	8	<b>403,286</b>	305,408
Hospice and cancer patient care	10	<b>111,935</b>	79,700
	25	<u><b>801,448</b></u>	<u>582,488</u>

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**7. Grants (continued)**

		2024 £	2023 £
<b>Recipients of institutional grants</b>	<b>No.</b>		
Newcastle University	15	<b>689,744</b>	482,633
St Oswalds Hospice	2	<b>21,730</b>	-
St Cuthbert's Hospice	1	<b>19,689</b>	-
Eden Valley Hospice	1	<b>15,580</b>	-
HospiceCare North Northumberland	1	<b>15,000</b>	-
Marie Curie	1	<b>12,500</b>	-
St Teresa's Hospice	1	<b>10,000</b>	10,000
Teeside Hospice	1	<b>7,500</b>	-
Hospice at Home West Cumbria	1	<b>6,936</b>	-
Willow Foundation	1	<b>3,000</b>	-
Cancer Research		<b>(231)</b>	-
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)
		<b>801,448</b>	<b>582,488</b>

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**8. Analysis of expenditure by activities**

	Grant funding of activities 2024 £	Support costs 2024 £	Total funds 2024 £	Total funds 2023 £
Charitable activities	801,448	41,026	<b>842,474</b>	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 £	Total funds 2023 £
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
	<b>41,026</b>	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).

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**11. Fixed asset investments**

	Listed investments £	Investment properties £	Cash held for investment £	Total £
<b>Cost or valuation</b>				
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>
<b>Net book value</b>				
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 £
<b>Due within one year</b>		
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).

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**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 £
<b>Unrestricted funds</b>					
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>
<b>Endowment funds</b>					
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>
<b>Total of funds</b>	<u>18,349,914</u>	<u>907,971</u>	<u>(1,120,669)</u>	<u>580,167</u>	<u>18,717,383</u>



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**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>
<b>Unrestricted funds</b>					
Unrestricted funds	146,921	982,817	(883,055)	-	246,683
<b>Endowment funds</b>					
Endowment Fund	18,845,402	-	(66,531)	(675,640)	18,103,231
<b>Total of funds</b>	<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**

	<b>Unrestricted funds 2024 £</b>	<b>Endowment funds 2024 £</b>	<b>Total funds 2024 £</b>
Fixed asset investments	-	17,460,789	<b>17,460,789</b>
Current assets	252,952	1,164,252	<b>1,417,204</b>
Creditors due within one year	(141,689)	(18,921)	<b>(160,610)</b>
<b>Total</b>	<u>111,263</u>	<u>18,606,120</u>	<u><b>18,717,383</b></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)
<b>Total</b>	<u>246,683</u>	<u>18,103,231</u>	<u>18,349,914</u>

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**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)
<b>Adjustments for:</b>		
(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)
<b>Net cash used in operating activities</b>	<b>(1,384,160)</b>	<b>(1,178,205)</b>

**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
<b>Total cash and cash equivalents</b>	<b>963,337</b>	<b>540,602</b>

**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
	<b>373,506</b>	<b>344,408</b>	<b>717,914</b>

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**19. Grant commitments**

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