

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
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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).

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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
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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
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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. 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)
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
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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.

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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
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**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
	<hr/> 807,195 <hr/>	<hr/> 807,195 <hr/>	<hr/> 907,971 <hr/>

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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>

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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

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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).

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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).

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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>

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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>

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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

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NOTES TO THE FINANCIAL STATEMENTS
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19. Grant commitments

	2025 £	2024 £
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.