

THE WATSON FAMILY CHARITABLE TRUST

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

THE WATSON FAMILY CHARITABLE TRUST

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THE WATSON FAMILY CHARITABLE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE INCORPORATED ORGANISATION, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2022

Trustees	Mr Ian Watson Mrs Claire Watson Mr Hugh Welch Mr Mark Watson Mr Craig Watson
Charity registered number	1159965
Principal office	3 Keel Row The Watermark Gateshead NE11 9SZ
Accountants	Ryecroft Glenton Chartered Accountants 32 Portland Terrace Jesmond Newcastle upon Tyne NE2 1QP
Bankers	Handelsbanken Second Floor, Earl Grey House 75-85 Grey Street Newcastle upon Tyne NE1 6EF
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF
Investment managers	UBS Wealth Management 3 Finsbury Avenue London EC2M 2AN

THE WATSON FAMILY CHARITABLE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the financial statements of the charitable incorporated organisation for the year 1 April 2021 to 31 March 2022.

Objectives and activities

● Policies and objectives

The objectives of the charitable incorporated organisation ("CIO") are derived from the objects within its constitution. These are for the public benefit in the United Kingdom and elsewhere for such charities or such charitable purposes under the laws of England and Wales in each case as the Trustees may from time to time determine, including by providing grants, loans or other financial support.

The CIO achieves its objectives through making grants and donations to organisations and individuals for charitable purposes.

● Strategies for achieving objectives

The CIO is not restricted to making payments out of income generated alone, and may make grants from its investment capital also. It is the current intention of the Trustees not to restrict themselves to making grants only out of income.

● Grant-making policies

The CIO is not restricted on activities or geographical areas. The CIO is willing to receive external applications and may also make one-off grants to undertakings within its charitable objects. Applications should be made to the CIO's registered office. All applications that support the public benefit and in accordance with the CIO's stated object in the UK and abroad will be considered.

● Main activities undertaken to further the charity's purposes for the public benefit

The CIO provides assistance by way of grants to a variety of individuals and organisations working both locally in the north east of England and overseas with a particular emphasis on supporting young people and helping them overcome disadvantage.

Achievements and performance

● Key performance indicators

The Trustees have regard only to financial performance of the CIO's investments including investment fluctuations. They note that the overall performance for the year has improved with gains of £12,932 following the recovery in stock market conditions following the effects of the coronavirus pandemic. Against this, with investment income of £7,157, grants of £40,718 and governance and other costs of £3,210, the CIO incurred a deficit in the year of £38,373 before investment gains resulting in an overall loss of £25,441 after gains on investments. This is detailed in the statement of financial activities and accompanying notes.

THE WATSON FAMILY CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance (continued)

- **Review of activities**

The CIO was established in 2015 with a donation of £1 million from Mr Ian Watson, a Trustee. The Board met three times during the period but also corresponded by email and spoke regularly to agree the payment of grants that are the subject of these financial statements. The grants were made to benefit local communities and for humanitarian purposes overseas. These totalled £40,718, and are detailed in note 5 to these financial statements.

- **Investment policy and performance**

The investment objective of the fund is to generate income and capital growth through active management of a diversified portfolio, with a moderate level of risk. Funds held on bank deposit provide absolute liquidity which is very low risk.

Financial review

- **Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the CIO 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.

The Trustees have also considered going concern in light of the coronavirus pandemic. The operational aspects of the CIO do not change and the pandemic has had little impact on the CIO's current financial position, other than the temporary fall in the value of its investment portfolio noted above, which has since recovered.

- **Reserves policy**

The Trustees do not currently intend to adopt a reserves policy as they may decide to expend capital in the short and medium term as they see fit. The CIO does not set itself grant targets as it does not wish to restrict itself in any way to make grants as the Trustees see fit in future periods.

- **Principal risks and uncertainties**

The CIO is open to risks from poor investment performance and ineffective grant-making policies. They acknowledge that this might include any effect the coronavirus pandemic may have in the short term.

Poor investment performance is mitigated by retaining expert investment advisors who maintain a diversified investment portfolio, and who have full discretion to invest to maximise investment return.

Ineffective grant-making policies are mitigated by appointing experienced Trustees to the board who undertake proper due diligence in assessing applications.

THE WATSON FAMILY CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management

• Methods of appointment or election of Trustees

The management of the CIO is the responsibility of the Trustees who are elected and co-opted under the terms of the Constitution. There must be at least three Trustees and there is no maximum number of Trustees. With the exception of the first Trustees of the CIO (Mr Ian Watson, Mrs Claire Watson and Mr Mark Watson), Trustees are appointed for a three year term and may serve for three consecutive terms.

Trustees will be appointed by the current Board as the need arises, having regard to the skills, knowledge and experience needed for effective administration of the CIO.

Statement of Trustees' responsibilities

The Trustees 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).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable incorporated organisation 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 and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable incorporated organisation will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable incorporated organisation's transactions and disclose with reasonable accuracy at any time the financial position of the charitable incorporated organisation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charitable incorporated organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees on 31 January 2023
signed on their behalf by:

and

Mr Ian Watson
Chairman

THE WATSON FAMILY CHARITABLE TRUST

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 MARCH 2022

Independent Examiner's Report to the Trustees of The Watson Family Charitable Trust ('the charitable incorporated organisation')

I report to the charity Trustees on my examination of the accounts of the charitable incorporated organisation for the year ended 31 March 2022.

Responsibilities and Basis of Report

As the Trustees of the charitable incorporated organisation you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the charitable incorporated organisation's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's Statement

Your attention is drawn to the fact that the charitable incorporated organisation has prepared the accounts 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 (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charitable incorporated organisation as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the charitable incorporated organisation's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charitable incorporated organisation's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable incorporated organisation and the charitable incorporated organisation's Trustees as a body, for my work or for this report.

31 January 2023

Deborah Graham FCA

Ryecroft Glenton
Chartered Accountants
32 Portland Terrace
Jesmond
Newcastle upon Tyne, NE2 1QP

THE WATSON FAMILY CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Donations and legacies	2	13	13	-
Investments	3	7,157	7,157	10,625
Total income		7,170	7,170	10,625
Expenditure on:				
Investment management	4	1,615	1,615	1,714
Charitable activities:				
Grants paid in the year		40,718	40,718	100,826
Governance costs		2,496	2,496	2,040
Other		714	714	630
Total expenditure		45,543	45,543	105,210
Net expenditure before net gains on investments		(38,373)	(38,373)	(94,585)
Net gains on investments		12,932	12,932	91,076
Net movement in funds		(25,441)	(25,441)	(3,509)
Reconciliation of funds:				
Total funds brought forward		573,475	573,475	576,984
Net movement in funds		(25,441)	(25,441)	(3,509)
Total funds carried forward		548,034	548,034	573,475

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

The notes on pages 8 to 16 form part of these financial statements.

THE WATSON FAMILY CHARITABLE TRUST

**BALANCE SHEET
AS AT 31 MARCH 2022**

	Note	2022 £	2021 £
Fixed assets			
Investments	10	523,557	555,133
		<u>523,557</u>	<u>555,133</u>
Current assets			
Cash at bank and in hand		30,034	20,939
		<u>30,034</u>	<u>20,939</u>
Creditors: amounts falling due within one year	11	(5,557)	(2,597)
		<u>24,477</u>	<u>18,342</u>
Net current assets			
		<u>548,034</u>	<u>573,475</u>
Total assets less current liabilities			
		<u>548,034</u>	<u>573,475</u>
Total net assets		<u>548,034</u>	<u>573,475</u>
Charity funds			
Unrestricted funds	12	548,034	573,475
		<u>548,034</u>	<u>573,475</u>
Total funds		<u>548,034</u>	<u>573,475</u>

The financial statements were approved and authorised for issue by the Trustees on 31 January 2023 and signed on their behalf by:

Mr Ian Watson
Chairman

THE WATSON FAMILY CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies

1.1 General Information

The Charitable Incorporated Organisation (CIO) is registered with the Charity Commission for England and Wales, number 1159965.

The CIO is a grant-making charity.

1.2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Watson Family Charitable Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.3 Going concern

The CIO has cash and investment resources and no requirement for external funding. Almost all the CIO's expenditure is discretionary and only incurred if the CIO has sufficient resources to do so. Therefore, despite the coronavirus pandemic the Trustees have a reasonable expectation that the CIO has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting to be appropriate in preparing these financial statements.

1.4 Income

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.5 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.

Expenditure on raising funds includes all expenditure incurred by the charitable incorporated organisation to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charitable incorporated organisation's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable incorporated organisation; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Investments

Fixed asset 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, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

1.8 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable incorporated organisation and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

THE WATSON FAMILY CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Donations	13	13	-

3. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Income from local listed investments	7,156	7,156
Interest receivable	1	1
Total 2022	7,157	7,157

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Income from local listed investments	10,615	10,615
Interest receivable	10	10
<i>Total 2021</i>	<i>10,625</i>	<i>10,625</i>

4. Investment management costs

	Unrestricted funds 2022 £	Total funds 2022 £
Investment management fees	1,615	1,615

THE WATSON FAMILY CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4. Investment management costs (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Investment management fees	1,714	1,714

5. Grants to institutions

	Grants to Institutions 2022 £	Total funds 2022 £
Grants, Direct costs	40,718	40,718

	<i>Grants to Institutions 2021 £</i>	<i>Total funds 2021 £</i>
Grants, Direct costs	100,826	100,826

THE WATSON FAMILY CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

5. Grants to institutions (continued)

The charitable incorporated organisation has made the following grants to institutions during the year:

	2022 £	2021 £
Name of institution		
Little Sisters of St. Francis	-	28,213
Jessica's Sarcoma Awareness	-	25,000
Simonside Primary School	-	25,000
Cash for Connectivity	-	10,000
Recruitment Junction	4,000	6,000
Community Foundation COVID 19	-	5,000
Archbishop of York Youth Trust	-	138
St George's Church Jesmond - for the community of Jesmond	10,758	1,475
Providence House Uganda	12,880	-
Love Burundi	9,000	-
Success 4 All	4,080	-
	40,718	100,826

6. Support costs

	Unrestricted funds 2022 £	Total funds 2022 £
Accountancy fees - governance	2,496	2,496
Prior year accountancy under accrual	636	636
Sundry costs	78	78
Total 2022	3,210	3,210

	Unrestricted funds 2021 £	Total funds 2021 £
Accountancy fees - governance	2,040	2,040
Sundry costs	78	78
Photography and PR costs	552	552
Total 2021	2,670	2,670

THE WATSON FAMILY CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

7. Analysis of charitable activities

	Grant funding activities 2022 £	Support costs 2022 £	Total funds 2022 £
Charitable activities	40,718	3,210	43,928
Total 2022	<u>40,718</u>	<u>3,210</u>	<u>43,928</u>

	<i>Grant funding activities 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Charitable activities	100,826	2,670	103,496

8. Independent examiner's remuneration

	2022 £	2021 £
Fees payable to the charitable incorporated organisation's independent examiner for the preparation and independent examination of the charitable incorporated organisation's annual accounts, inclusive of VAT	2,496	2,040

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year, no Trustee expenses have been incurred (2021 - £NIL).

THE WATSON FAMILY CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

10. Fixed asset investments

	Listed investments £	Cash held for re- investment £	Total £
Cost or valuation			
At 1 April 2021	554,355	778	555,133
Additions	-	2,625	2,625
Disposals	(47,133)	-	(47,133)
Revaluations	12,932	-	12,932
At 31 March 2022	<u>520,154</u>	<u>3,403</u>	<u>523,557</u>
Net book value			
At 31 March 2022	<u>520,154</u>	<u>3,403</u>	<u>523,557</u>
At 31 March 2021	<u>554,355</u>	<u>778</u>	<u>555,133</u>

11. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	2,676	120
Accruals and deferred income	2,881	2,477
	<u>5,557</u>	<u>2,597</u>

THE WATSON FAMILY CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

12. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds					
General Funds	573,475	7,170	(45,543)	12,932	548,034

Statement of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds					
General Funds	576,984	10,625	(105,210)	91,076	573,475

13. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Total funds 2022 £
Fixed asset investments	523,557	523,557
Current assets	30,034	30,034
Creditors due within one year	(5,557)	(5,557)
Total	548,034	548,034

THE WATSON FAMILY CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

13. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Fixed asset investments	555,133	555,133
Current assets	20,939	20,939
Creditors due within one year	(2,597)	(2,597)
Total	573,475	573,475

14. Related party transactions

There are no transactions with related parties that require disclosure.