

Michael Watson Charitable Trust
Unaudited Financial Statements
31 March 2021

HARRISON HOLT
Chartered Accountants
High Park Farm
Kirkbymoorside
York
YO62 7HS

Michael Watson Charitable Trust

Financial Statements

Year ended 31 March 2021

| | Page |
|---|-------------|
| Trustees' annual report | 1 |
| Independent examiner's report to the trustees | 5 |
| Statement of financial activities | 6 |
| Statement of financial position | 7 |
| Notes to the financial statements | 8 |

Michael Watson Charitable Trust

Trustees' Annual Report

Year ended 31 March 2021

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published in October 2019.

Reference and administrative details

| | |
|------------------------------------|--|
| Registered charity name | Michael Watson Charitable Trust |
| Charity registration number | 01163309 |
| Principal office | Apartment 19 29 Essex Street London |
| The trustees | Mr M C Watson Mr A T Cohen Ms R Murphy |
| Independent examiner | Philip Holt FCA FCIE High Park Farm Kirkbymoorside York YO62 7HS |

Structure, governance and management

Governing document

Michael Watson Charitable Trust established by Trust deed dated 28 November 2014 as amended by Deed dated 24 August 2015.

The Charity was registered with the Charity Commission in England and Wales on 28 August 2015 having commenced fund-raising activities on 1 April 2015 with an initial donation of £5,000 from the Founding Trustee, Mr M C Watson.

Michael Watson Charitable Trust

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Structure, governance and management *(continued)*

The methods adopted for the recruitment and appointment of new Trustees

The Charity is currently governed by three Trustees and the Trust Deeds require a minimum number of three trustees. If a vacancy should occur on the Board of Trustees or a suitable opportunity arises, a meeting will then be held to discuss the possible candidates. Following a discussion and vote, the Board would then appoint a new member. Every trustee must be appointed by a resolution of the trustees passed at a special meeting called in accordance with the Trust Deeds. The term of office is for an undetermined length of time and can be terminated with agreement of the Trustees.

The policies and procedures adopted for the induction and training of trustees

At present there are no formal policies and procedures for the induction and training of new trustees. These will be developed as and when a new trustee is appointed but any new trustee would, in any event, be directed to the Charity Commission Guidance "The Essential Trustee: What you need to know"(CC3), published in March 2012 and they would receive a briefing memorandum from the Chair which gives the necessary information about the Charity, its mission statement, strategic objectives, the history of the charity and they would also be given a copy of the Trust Deed and Variations and a copy of the latest report and statement of accounts of the Charity.

The organisational structure of the charity and how decisions are made

The Trustees meet regularly, at least twice a year, to manage the Charity's affairs. Such meetings are minuted and records kept indefinitely.

The day to day management of the Charity is the responsibility of the Chair, supported by the Trustees. The Chair and the Trustees play a vital role in the development and running of the Charity.

Related parties

The Trustees consider that Mr Michael C Watson, the Founding Trustee and Chair, is a related party.

Transactions and balances with related parties are set out in Note 11.

Objectives and activities

The objects of the Charity, as set out in the Trust Deed, are for the public benefit:

- (1) the advancement of education;
- (2) the relief of sickness and the preservation of health by promoting research into the causes of cancer and treatment of cancer patients;
- (3) the promotion, support and advancement of visual and performing arts; and
- (4) to advance such charitable organisations and purposes as the Trustees shall see fit from time to time;

by the provision of grants and financial assistance.

Michael Watson Charitable Trust

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Objectives and activities *(continued)*

Income and capital

The Trustees must apply the income and, at their discretion all or part of the capital, of the Charity in furtherance of its charitable objects.

Grants

The sole activity of the Charity is the provision of grants and financial assistance to beneficiaries in line with its wide charitable objects.

Public benefit

The Trustees have had due regard to the Charity Commission Guidance on Public Benefit.

The Trustees have considered public benefit in line with the charitable status as a grant giving charity and have ensured public benefit by giving grants to registered charities or other unregistered or exempt charities.

Achievements and performance

During the year, the Charity advanced donations towards the following charitable purposes:

Education;
Health;
Visual and performing arts; and
Other charitable assistance.

The largest grants, committed to by the Trustees during the period, were:

£10,000 to Spread-a-Smile to support their work in providing entertainers to visit sick children in hospital. In addition, Birmingham Royal Ballet received £5,000 for their work in performing arts, and Hospice in the Weald also received £5,000 for their valuable health work. Other grants are set out in Note 9 to the financial statements.

Financial review

During the period, the Charity received donations amounting to £70,510 (2020: £37,000).

The total expenditure on charitable activities amounted to £70,316 (2020: £34,099) with governance and other resources expensed totalled £1,126 (2020: £1,092) during the period the increase in unrestricted funds amounted to £20,875 (2020: decrease - £1,809).

At 31 March 2021, the net assets of the Charity amounted to a surplus of £7,896 (2020: deficit of £12,979).

Michael Watson Charitable Trust

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Financial review *(continued)*

Reserves policy

The Trustees have determined that the Charity does not need to hold reserves because it only makes grants available when it has sufficient funds and because the Founding Trustee has made donations as and when required. The Trustees consider that a prudent measure might be sufficient to cover the annual support costs of the Charity plus a small amount to achieve its charitable objectives year on year. The Trustees will review this within the next year.

At present, the free unrestricted reserves of the Charity show a surplus of £7,896 (2020: a deficit of £12,979).

Plans for future periods

The charity will continue to provide grants to beneficiaries for future charitable operations.

The trustees' annual report was approved on 21 December 2021 and signed on behalf of the board of trustees by:

MR M C WATSON
Trustee

MR A T COHEN
Trustee

Michael Watson Charitable Trust

Independent Examiner's Report to the Trustees of Michael Watson Charitable Trust

Year ended 31 March 2021

I report to the trustees on my examination of the financial statements of Michael Watson Charitable Trust ('the charity') for the year ended 31 March 2021.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

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

Independent examiner's statement

I have completed my examination. I confirm that no material 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 charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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.

PHILIP HOLT FCA FCIE

Independent Examiner

High Park Farm
Kirkbymoorside
York
YO62 7HS

22 December 2021

Michael Watson Charitable Trust

Statement of Financial Activities

Year ended 31 March 2021

| | | 2021 | 2020 |
|---|------|--------------------|-----------------|
| | | Unrestricted funds | Total funds |
| | Note | £ | £ |
| Income and endowments | | | |
| Donations and legacies | 4 | 70,510 | 70,510 |
| Investment income | 5 | 57 | 57 |
| Other income | 6 | 21,750 | 21,750 |
| Total income | | <u>92,317</u> | <u>92,317</u> |
| Expenditure | | | |
| Expenditure on charitable activities | 7 | (71,442) | (71,442) |
| Total expenditure | | <u>(71,442)</u> | <u>(71,442)</u> |
| Net income and net movement in funds | | <u>20,875</u> | <u>20,875</u> |
| Reconciliation of funds | | | |
| Total funds brought forward | | (12,979) | (12,979) |
| Total funds carried forward | | <u>7,896</u> | <u>7,896</u> |

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

The notes on pages 8 to 14 form part of these financial statements.

Michael Watson Charitable Trust

Statement of Financial Position

31 March 2021

| | Note | 2021 £ | £ | 2020 £ |
|---|------|----------------|--------------|-----------------|
| Current assets | | | | |
| Cash at bank and in hand | | 8,976 | | 4,038 |
| Creditors: amounts falling due within one year | 13 | <u>(1,080)</u> | | <u>(17,017)</u> |
| Net current assets | | | <u>7,896</u> | <u>(12,979)</u> |
| Total assets less current liabilities | | | <u>7,896</u> | <u>(12,979)</u> |
| Net assets | | | <u>7,896</u> | <u>(12,979)</u> |
| Funds of the charity | | | | |
| Unrestricted funds | | | <u>7,896</u> | <u>(12,979)</u> |
| Total charity funds | 14 | | <u>7,896</u> | <u>(12,979)</u> |

These financial statements were approved by the board of trustees and authorised for issue on 21 December 2021, and are signed on behalf of the board by:

MR M C WATSON
Trustee

MR A T COHEN
Trustee

The notes on pages 8 to 14 form part of these financial statements.

Michael Watson Charitable Trust

Notes to the Financial Statements

Year ended 31 March 2021

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 20 Seymour Road, London, SW18 5JA.

2. Statement of compliance

The financial statements 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Accounting Practice.

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 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 issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Michael Watson Charitable Trust constitutes a public benefit entity as defined by FRS 102.

3. Accounting policies

Basis of preparation

The accounts have been prepared in sterling, which is the functional currency of the Charity and under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

There are no material uncertainties about the ability of the Charity to continue in the foreseeable future.

Going concern

There are no material uncertainties about the charity's ability to continue.

Disclosure exemptions

The charity does not include a cash flow statement on the grounds that it is applying FRS 102 Section 1A.

Michael Watson Charitable Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

Estimates and judgements 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.

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 the levels of future funding receivable from the Founding Trustee and the levels of expenditure on charitable activities.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the purposes of the charity.

Incoming resources

Income

All income is included in the statement of financial activities when the charity is entitled to the income, any performance related conditions attached have been met or are fully within the control of the charity, the income is considered probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Donations and legacy income is received by way of donations, legacies, grants and gifts and is included in full in the Statement of Financial Activities when receivable. Where legacies have been notified to the charity but the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity, being the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market.

Michael Watson Charitable Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Resources expended

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examiners fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

Financial instruments

The Charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Liabilities - trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

4. Donations and legacies

| | Unrestricted Funds £ | Total Funds 2021 £ | Unrestricted Funds £ | Total Funds 2020 £ |
|-------------------------------------|----------------------------|--------------------------|----------------------------|--------------------------|
| Donations | | | | |
| Donations from the Founding Trustee | <u>70,510</u> | <u>70,510</u> | <u>37,000</u> | <u>37,000</u> |

5. Investment income

| | Unrestricted Funds £ | Total Funds 2021 £ | Unrestricted Funds £ | Total Funds 2020 £ |
|--------------------|----------------------------|--------------------------|----------------------------|--------------------------|
| Interest from HMRC | <u>57</u> | <u>57</u> | <u>—</u> | <u>—</u> |

Michael Watson Charitable Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

6. Other income

| | Unrestricted Funds | Total Funds 2021 | Unrestricted Funds | Total Funds 2020 |
|------------------------|-----------------------|-----------------------------|-----------------------|---------------------|
| | £ | £ | £ | £ |
| Gift Aid tax reclaimed | 21,750 | 21,750 | — | — |

7. Expenditure on charitable activities by activity type

| | Grant funding of activities | Support costs | Total funds 2021 | Total fund 2020 |
|-----------------------------|--------------------------------|------------------|-----------------------------|--------------------|
| | £ | £ | £ | £ |
| Education | 7,250 | — | 7,250 | 5,262 |
| Health | 31,500 | — | 31,500 | 19,035 |
| Visual and performing arts | 24,000 | — | 24,000 | 5,792 |
| Other charitable assistance | 7,566 | — | 7,566 | 4,010 |
| Governance costs | — | 1,126 | 1,126 | 1,092 |
| | <u>70,316</u> | <u>1,126</u> | <u>71,442</u> | <u>35,191</u> |

8. Analysis of support costs

| | Governance £ | Total 2021 £ | Total 2020 £ |
|----------------------------|-----------------|------------------------|-----------------|
| Bank charges | 46 | 46 | 60 |
| Independent Examiners fees | 1,080 | 1,080 | 1,032 |
| | <u>1,126</u> | <u>1,126</u> | <u>1,092</u> |

Michael Watson Charitable Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

9. Analysis of grants

| | 2021 £ | 2020 £ |
|---|---------------|---------------|
| Grants to institutions | | |
| Irish Guide Dogs for the Blind | 1,000 | — |
| Lewis-Manning Trust | 2,000 | — |
| RAF Benevolent Fund | 1,060 | — |
| Smaller grants of £500 or less to 8 beneficiaries (2020 - 12) | 3,256 | 3,827 |
| Provident row | 2,500 | — |
| Bleasma | — | 1,000 |
| Centrepont | — | 2,000 |
| Farplace Animal Rescue | — | 1,000 |
| Guy's & St. Thomas' Charity | — | 1,000 |
| Happy Days | 1,000 | 2,000 |
| Jessie May | 1,000 | 1,000 |
| Make a Wish | — | 1,000 |
| Marfan Trust | — | 1,000 |
| Queen Mary University London | — | 4,262 |
| Snowdon Trust | — | 1,000 |
| Spitalfields Music | — | 2,500 |
| Spread-a-Smile | 10,000 | 10,000 |
| The Hyperion Foundation | — | 510 |
| The Living Paintings Trust | 1,000 | 1,000 |
| The Lord Mayor's Appeal | — | 1,000 |
| Clothing Solutions | 1,000 | — |
| Live! | 1,000 | — |
| Deafblind UK | 1,000 | — |
| Pilgrims Hospice | 1,000 | — |
| Birmingham Royal Ballet | 5,000 | — |
| My Aware | 2,000 | — |
| Hospice in the Weald | 5,000 | — |
| British Lung Foundation | 1,000 | — |
| Crisis | 1,500 | — |
| RNIB | 1,000 | — |
| Maximillian Lawrie | 2,000 | — |
| The Cure Parkinson's Trust | 1,000 | — |
| Action Duchenne | 1,000 | — |
| The Community Hub | 2,000 | — |
| SNAPS (Special Needs & Parent Support) | 2,000 | — |
| Highlights | 2,000 | — |
| Blooming Blossoms Trust | 2,000 | — |
| Blind Veterans UK | 2,000 | — |
| School-Home Support | 2,000 | — |
| Sunny Days Children's Fund | 2,000 | — |
| The Rossendale Trust | 1,000 | — |
| Young & Inspired | 2,000 | — |
| Seeing Dogs Alliance | 2,000 | — |
| Ellenor (Children's Hospice) | 2,000 | — |
| Food Lifeline | 1,000 | — |
| New College Worcester | 2,000 | — |
| | 70,316 | 34,099 |
| Total grants | 70,316 | 34,099 |

Michael Watson Charitable Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

9. Analysis of grants *(continued)*

Grant commitments brought forward from the previous year were £15,985 (2020 - £15,985). Grant commitments in the year were £70,316 (2020: £34,099) and grants paid in the year were £86,301 (2020 - £34,099). Grant commitments due within one year at 31 March 2021 amounted to £nil (2020 - £15,985).

10. Independent examination fees

| | 2021 £ | 2020 £ |
|---|--------------|--------------|
| Fees payable to the independent examiner for: | | |
| Independent examination of the financial statements | <u>2,112</u> | <u>1,032</u> |

11. Staff costs

The Charity did not employ any staff in the period.

The average head count of employees during the period was Nil.

No employee received employee benefits of more than £60,000 during the year (2020 - Nil).

12. Trustee remuneration and expenses

During the current or previous period, no remuneration or other benefits from employment with the Charity, or a related entity, were received by the Trustees. No expenses were reimbursed to any Trustees in the current year or previous year.

13. Creditors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|---|--------------|---------------|
| Accruals and deferred income | 1,080 | 1,032 |
| Grant obligations in respect of multi-year grants | – | 15,985 |
| | <u>1,080</u> | <u>17,017</u> |

14. Analysis of charitable funds

Unrestricted funds

| | At 1 April 2020 £ | Income £ | Expenditure £ | At 31 March 2021 £ |
|---------------|----------------------------|---------------|------------------|-----------------------------|
| General funds | <u>(12,979)</u> | <u>92,317</u> | <u>(71,442)</u> | <u>7,896</u> |
| | At 1 April 2019 £ | Income £ | Expenditure £ | At 31 March 2020 £ |
| General funds | <u>(14,788)</u> | <u>37,000</u> | <u>(35,191)</u> | <u>(12,979)</u> |

Michael Watson Charitable Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

15. Analysis of net assets between funds

| | Unrestricted Funds | Total Funds |
|----------------------------|--------------------|---------------------|
| | £ | £ |
| Current assets | 8,976 | 8,976 |
| Creditors less than 1 year | (1,080) | (1,080) |
| Net assets | <u>7,896</u> | <u>7,896</u> |

| | Unrestricted Funds | Total Funds |
|----------------------------|--------------------|-----------------|
| | £ | £ |
| Current assets | 4,038 | 4,038 |
| Creditors less than 1 year | (17,017) | (17,017) |
| Net assets | <u>(12,979)</u> | <u>(12,979)</u> |

16. Related parties

During the period, Mr M C Watson, the Founding Trustee and Chairman, donated £70,510 (2020: £37,000) to the Charity. During the year, Mr M C Watson was reimbursed £nil (2020: £nil) for travel costs. There were no balances due to or from him at 31 March 2021 or 2020.