

# MR WILLATS' CHARITY

England & Wales · Charity number 202269

## Details

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Other names	The Willats Trust
Status	Registered
Legal form	Other
Registered	1962-09-22
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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Address	Basement Flat 19 Rivers Street Bath BA1 2QA
Phone	01225331499
Email	<a href="mailto:grants@willatstrust.org">grants@willatstrust.org</a>
Website	<a href="http://www.willatstrust.org">www.willatstrust.org</a>

## Activities

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**Objects:** The advancement of the Christian religion for the benefit of the public in the United Kingdom of Great Britain and Northern Ireland by (but not limited to) the provision of grants to individuals or organisations to:· provide for and support the mission and evangelistic ministry of outreach workers, in particular their sharing of the Gospel of Jesus Christ and making new disciples in areas of high deprivation;· enable new church planting or church growth in areas of high deprivation by supporting the mobilisation and equipping of new outreach workers, including through training or evangelism resources, to effectively share the Gospel with individuals who are not disciples or who otherwise do not participate in church life.

**Activities:** The charity makes grants to 'lay workers' in protestant churches and charities throughout England , Wales and Ireland

## Classification

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- **How:** Makes Grants To Individuals
- **What:** Religious Activities
- **Who:** Other Charities Or Voluntary Bodies, Other Defined Groups

## Geography

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- Ireland
- Throughout England And Wales

## Finances

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Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,483,921	£1,542,166	£29,584,668	4
2023-12-31	£1,405,539	£1,195,441	£37,765,898	3
2022-12-31	£1,339,202	£1,051,418	£37,576,136	3
2021-12-31	£1,277,412	£1,138,483	£41,217,437	3
2020-12-31	£1,208,033	£964,938	£40,097,319	3

## Trustees

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Name	Role	Appointed
MR.WILLATS' CORPORATE TRUSTEE LIMITED		2015-01-01
Mr Willats Corp Trustee		2020-12-15

**MR WILLATS' CHARITY**

England & Wales - Charity number 202269

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# Accounts

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THE  
WILLATS  
TRUST

REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2024

Charity no: 202269

## **Governing document and constitution**

The Charity was set up under an Indenture dated 13 November 1858 by Mr William Willats. Mr Willats' Corporate Trustee Ltd is the sole Trustee of Mr Willats' Charity. The Charity has the working title of 'The Willats Trust'. The individuals that served as Directors to the Corporate Trustee during the year are detailed below:

### **Directors of the Corporate Trustee**

The Reverend Roger Driver	(Board Chair and Chair of Grants Committee)
Colin Sheppard	(Chair of Property Committee)
Paul Suller	(Chair of Finance and Investment Committee)
Tim Friend	
Amanda Noyce	

All appointments and resignations during the year or up to the time of the signing of these accounts have been noted.

### **CEO**

Paul Taylor

### **Interim Director**

Anne Anketell (Contract ended 31 August 2024)

### **Finance Manager**

Michele Tonner

### **Property Manager**

Erica Palfreyman

### **Grants and Project Manager**

Kirsty Brown

### **Principal office**

Basement 19 Rivers Street  
Bath BA1 0AQ

### **Website**

[www.willatstrust.org](http://www.willatstrust.org)

### **Bankers**

C Hoare & Co  
37 Fleet Street  
London EC4P 4DQ

### **Solicitors**

Thrings  
2 Queen Square  
Bath BA1 2HQ

National Westminster Bank plc  
24/25 Stall St  
Bath BA1 1QS

### **Auditors**

Saffery LLP  
St Catherine's Court  
Berkeley Place  
Bristol BS8 1BQ

### **Investment managers**

Cazenove Capital  
1 London Wall Place  
London  
EC2Y 5AU

# Mr Willats' Charity

## TRUSTEES' REPORT

for the year ended 31 December 2024

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### OBJECTIVES AND ACTIVITIES

Mr Willats' Charity was established in 1858 by its Founder, William Willats, to support Christian workers to share the good news about Jesus Christ in some of the most marginalised communities in England, Wales and Ireland. The Charity principally achieves this by contributing towards the salary of lay pastoral workers ('Guides') in the form of grants. To fund the objectives of the Charity, the Founder created a sizable endowment by bequeathing a significant property portfolio to the Charity. This is managed by the Charity and the surpluses generated through investment income are used to fund the grants given to Guides.

### ORGANISATIONAL STRUCTURE

The Charity is governed by a sole 'Corporate Trustee' entitled Mr Willats' Corporate Trustee Limited. The Directors of the Corporate Trustee act as the Trustees of the Charity.

The Board of Directors ("the Board") has delegated the day-to-day running of the Charity to its CEO. The Board meets regularly to consider the business of the Charity including the consideration of applications for grants and to receive reports from the Guides and the CEO, who replaced the Interim Director with effect from 2 September 2024.

### APPOINTMENT OF DIRECTORS TO THE CORPORATE TRUSTEE

The Directors who have served during the year, and since the year end, are set out on page 1. Directors are appointed by the existing Board.

New Directors are given an induction covering governance, the charitable objectives, strategy, plans, budgets and activities. The CEO shares ongoing regulatory information with the Board and other governance matters.

### ACHIEVEMENTS AND PERFORMANCE

2024 was a transformative year for the Charity. In 2023, four key strategic priorities were identified, and we are pleased to report significant progress in each area.

#### **Strengthening Organisational Leadership**

A significant milestone in our organisational development was the transition from an Interim Director to a new permanent CEO. As an interim, we are grateful for the contributions made by Anne Anketell during the interim period. Following an extensive search conducted with an external recruitment firm, we welcomed Paul Taylor as our new CEO in September 2024. Paul brings a profound faith background, strong relationships across UK and international church and para-church organisations, as well as over 30 years of senior strategic business leadership experience.

The Directors have collaborated effectively, ensuring the continuity of the previous development efforts of the Charity by renewing and re-envisioning both the organisation and its work. Rev. Roger Driver has transitioned from Interim Chair to Permanent Chair. In addition to these leadership appointments, we have implemented new processes and systems to enhance property management and ensure compliance with our landlord obligations.

Together with the Directors, Paul's vision and leadership is proving instrumental in re-imagining Mr. Willats' original mission from 1858 for the modern era and optimising returns from our endowment to better fund our charitable purpose.

Financial oversight now benefits from the recruitment of a permanent experienced finance manager (Michele Tonner) who is revamping our systems and processes and has improved our management information.

Grants are now managed by Kirsty Brown, who is also looking at new processes to systemise our grant evaluation, make

# Mr Willats' Charity

TRUSTEES' REPORT (*continued*)  
for the year ended 31 December 2024

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applications simpler for Guides, and provide more meaningful impact reports.

Erica Palfreyman oversees the operation of our property portfolio day-to-day, including tenant management, contractor management, landlord compliance and building works.

## Enhancing Financial Resilience

Our mission is to fund the expansion of the gospel in the most deprived communities of England, Wales, and Ireland. Historically, our grant-making has been financed through rental yields on an endowed property portfolio, primarily Georgian buildings in Bath. However, after careful financial analysis in late 2024, the Directors concluded that a transition to financial market investments would significantly increase our future grant-making capacity.

Key Financial Strategy Decisions:

1. **Transition from Property to Financial Investments:** The Directors determined that divesting a significant portion of the property holdings over the medium term and reinvesting in financial markets through professional fund managers could potentially double grant-making over the next decade.
2. **Future Market Considerations:** Georgian properties are costly to maintain, with net returns diminishing over time. Additionally, regulatory changes such as the anticipated Renter Reform Bill will further increase landlord obligations and reduce future net funds available for grant-making.
3. **Property Portfolio Valuation:** A fresh valuation of our properties necessitated an £8 million reduction in book value due to market conditions, higher interest rates, and increased landlord obligations reducing future cashflows. Despite this lower realisable valuation, our financial modelling indicates a substantial increase in future grant-making compared to retaining the property portfolio.

Since the year-end, several properties have been listed for sale or sold subject to contract in accordance with this strategy. The Directors are confident that this approach will enhance long-term financial sustainability and enable better fulfilment of our charitable mission by increasing grant-making over the next three to five years, subject to market performance.

## Refining Grant-Making Strategy

Our foundational mission, established in 1858, remains unchanged: funding evangelists or 'Guides' who bring the gospel to the most deprived communities. In 2024 and early 2025, the Directors engaged in extensive prayer, research, consultations, and visits to like-minded gospel partners to refine our approach and consider how this founding mission should be fulfilled in 2025 and beyond.

Key Strategic Outcomes:

1. **Renewed focus on local, Jesus-centric churches in the top 20% of deprived communities:** We reaffirmed that the most effective means of evangelism is through deeply embedded, incarnational churches, physically located in the top 20% most deprived communities, ideally led by indigenous leaders who authentically connect with their communities.
2. **Vision for 2050:** We aspire to see these communities transformed by the love of Jesus, achieved through local churches making lifelong disciples who multiply within their communities. To achieve this, we want to prioritise

# Mr Willats' Charity

## TRUSTEES' REPORT (*continued*)

for the year ended 31 December 2024

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funding more churches fitting the above criteria so they in turn can multiply and plant new churches in similar communities.

3. **Strategic Partnerships:** We have deepened collaborations with organisations that share our vision for taking the gospel to these communities and will partner with them to help fund leadership development, church planting, and evangelism initiatives to these communities.
4. **Expanded Grant Scope:** as well as pastoral workers, our funding now includes support for church planters called to break new ground in these communities and evangelism ministry workers to expand existing outreach with a view to supporting the multiplication of new churches being planted in the top 20% most deprived communities over the next 10 years.

Additionally, we have simplified our application process and developed a new application evaluation matrix to help us discern those people, churches and communities where God already seems to be on the move and to make it easier for potential applicants to access our support.

Subsequent sections provide further details on our 2024 grant-making activities. The full impact of our refined strategy is expected to be seen in 2025 and beyond.

### **Strengthening Governance and Board Oversight**

2024 was a pivotal year for our governing board of Directors, marked by significant decisions, including appointing a new CEO, refining our grant-making strategy, and transitioning our investment strategy. To enhance oversight and governance, we introduced three new Board committees:

1. **Grant-Making Committee:** Evaluates grant applications in alignment with our strategic mission.
2. **Property Committee:** Oversees the strategic exit from our property portfolio over the next 5-7 years.
3. **Investment and Finance Committee:** Manages financial oversight, reinvestment strategies, and financial processes.

Each committee is led by Trustees with relevant expertise, ensuring strong governance and accountability. Looking ahead to 2025, we will continue to assess our governance structure and seek additional Directors for the Corporate Trustee as required who bring strategic kingdom connections, prayerful insights and relevant skills to support our mission of serving the most marginalized communities in England, Wales, and Ireland.

Through these strategic developments, we remain steadfast in our commitment to advancing the gospel and cooperating with the Holy Spirit to see increasing kingdom impact in the communities we serve. We are grateful for the continued guidance of God and how his mercy and love spreads and transforms communities, the faithful and sacrificial service of so many grantees we have the privilege of supporting, the dedication of our team, and the wisdom, collaboration and counsel of our partners who share the same vision to see the most marginalized communities in the UK and Ireland transformed by the love of Jesus.

# Mr Willats' Charity

TRUSTEES' REPORT (*continued*)  
for the year ended 31 December 2024

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## The day-to-day operations of the Charity

### The Charity's Grant Making Activities

In 2024, our grant-making programme provided £469,540 (2023: £478,000) in funding, supporting 48 Guides across England, Ireland and Wales, as they worked to bring the Gospel message of hope and transformation to some of the country's most marginalised communities. This included £141k awarded in 2024 to 14 new Guides, alongside continued support for 34 existing Guides, reinforcing our long-term commitment to sustaining impactful ministries.

Our funding reached organisations engaged in prison ministry, community outreach, sports ministry, family support, and debt counselling, ensuring a broad yet deeply targeted approach to evangelism and social action. True to our mission, we prioritised those working in areas of significant deprivation, with our grants in 2024 directed to Guides based in communities ranking in the top 5% of the Indices of Multiple Deprivation (IMD). Grants were distributed across Birmingham, Manchester, Norwich, London, Hull, Barnsley, Hartlepool, Liverpool, and Stoke-on-Trent, supporting work in neighbourhoods with the highest levels of poverty, as well as among vulnerable groups such as prisoners, refugees, and asylum seekers.

Each grant was awarded for a period of three years, with funding attached to individual salaries with award amounts between £2,000 and £15,000 per year, ensuring that Guides could remain embedded in their communities and continue their vital work without the constant pressure of securing additional funding.

We remain committed to building and strengthening partnerships with the organisations we support, ensuring our grants create the greatest possible impact and align with our long-term funding strategy. Working with established organisations, we endeavour to ensure that our funded Guides receive the support, oversight and mentoring they need to thrive in their roles. In 2024, 64% of our grants were awarded to churches, reflecting our core belief that the church is God's primary vehicle to bring the hope of Jesus and his transformative power to their communities. The remaining 36% supported para church charities and voluntary groups, often bringing their specialist skills to the wider body, broadening our reach and enabling transformative work in diverse community settings. Through these partnerships, we share the hope of Jesus, strengthen local leadership, foster sustainable ministry, and ensure that our funding is used effectively to make a lasting difference in the communities they serve.

### The Charity's Properties

The Charity owns a portfolio of Georgian listed residential properties in Bath, a UNESCO World Heritage City, along with a small number of commercial properties. The properties continue to provide an income for the Charity to support its Guides. Given the geographical location of the properties, they require considerate, careful and sympathetic planned maintenance and refurbishment. Consequently, for reasons noted above, a strategic decision has been taken to exit a significant part of our residential property portfolio over the coming years as we foresee diminishing future returns, which left unchecked would inhibit our ability to maximize grant-making from the assets under our stewardship. There remain some residential properties that need refurbishment and modernisation before they will be able to be let at their full market rent or sold, and a decision will be made on a case-by-case basis on whether it is optimum to refurbish or sell. The previously agreed sale of a property in St James Square completed during 2024.

£570k was spent on property repairs in 2024 as part of the long term planned preventative maintenance programme resulting from the commissioned review in 2023.

Ensuring Building Safety is a key consideration for the Charity. The safety of our customers in their homes continues to be of the utmost importance to us. We continue to comply with all relevant legislation relating to Building Safety. In 2024, new software was installed to better facilitate our compliance certification and reporting.

# Mr Willats' Charity

## TRUSTEES' REPORT (*continued*)

for the year ended 31 December 2024

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### FINANCIAL REVIEW

The Charity's work is entirely reliant on income and investment returns from its endowment fund, which is predominantly, invested in residential properties in Bath. Only investment income is used to deliver charitable objectives. No fundraising activities were conducted, and no external funds have been received in this accounting period.

Before accounting for inter-fund transfers and asset revaluations, the Charity made an unrestricted deficit of £53,029 (2023: surplus £215,032) in the year. This year-on-year movement from surplus to deficit was primarily due to significant roof and window refurbishment works in 2024 on two listed properties which did not count as capital works and consequently charged to income. No transfers were made to the endowment fund (2023: £26,296). After accounting for transfers and the revaluation adjustment, an overall unrestricted deficit of £158,031 was recorded in 2024 (2023: surplus of £188,736).

Unrestricted funds are reported as 3 amounts: unrestricted, designated: fixed assets, and designated: early end grants. Note 11 gives an analysis of the split across these elements, along with a prior year comparison.

With the strategic decision to move away from property and towards financial investments, an interim property valuation was undertaken at the year-end date based on the most recent sale of the St James Square property which, while meeting the section 119 test, was sold below carrying value. The outcome of this December 2024 interim valuation identified that the current market value of the portfolio was below the valuation undertaken in 2023 by £8,014,796. This downward revaluation has three main causes:

- Three of the commercial property valuations undertaken in 2023 were incorrect, resulting in a prior year downward restatement of £1,473,500 to reduce the valuation.
- The valuation report of 2023 valued the properties on two scenarios: one based on value of properties as individual flats/dwellings within a single building, and one based on selling the single building as a whole block comprising multiple flats/dwellings ("block value"). Given there was no intention to sell properties in 2023, the accounts adopted the valuation based on the sum of the individual flats. However, now the decision has been taken to exit, professional advice indicates the optimum exit strategy will be to sell entire blocks as the complications of managing multiple tenancies, multiple flat sales with multiple buyers, and the professional fees and resources required to deliver this will be time-consuming and expensive. Consequently, adopting this block value methodology and adjusting the 2023 valuation to reflect this gives rise to a further write down of £2,542,500.
- The final adjustment is due to market changes, including the state of the rental market, potential forthcoming landlord legislation and higher interest rates, which have depressed current valuations. This has resulted in a further write down of £3,998,796.

Note 4 gives further details, and this is the primary cause for the overall reduction in the endowment fund value at the end of 2024.

The endowment fund brought forward at the start of the year, after being restated for the prior year commercial property valuation adjustment, was £35,451,801 (2023: £36,924,275). During the year the endowment fund recognised a deficit of £6,549,699 (2023 restated: deficit £1,472,474). The deficit sustained in both years was due to a reduction in the valuations of the investment properties held by the endowment fund, following an interim valuation performed by Carter Jonas. This movement for the year was added to the brought forward funds to give a total carried forward year end endowment fund of £28,902,102 (2023 as restated: £35,451,801).

The total reserves carried forward at the year-end amounted to £29,584,668 (2023 as restated: £36,292,398).

### INVESTMENT POLICY AND PERFORMANCE

The investment powers of the Board are governed by the Trust Deed, as amended. The Charity holds a small stock market investment portfolio managed by Cazenove. The Board seeks to obtain a balance in income return and capital growth from the Charity's quoted stocks and shares.

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# Mr Willats' Charity

## TRUSTEES' REPORT (*continued*)

for the year ended 31 December 2024

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Considering benchmark indicators, the Board is satisfied with the performance of the stock portfolio during the year which resulted in the portfolio achieving realised and unrealised gains of £52,922 (2023: £29,664). Dividend income was in line with expectations. See note 5 for more details.

### RESERVES POLICY

The Board has agreed that the long-term goal is to maintain free unrestricted funds at a level that equates to approximately three to six months of expenditure. This is deemed appropriate given the risk of significant unanticipated or planned maintenance property-related expenditure and landlord compliance obligations. This decision was reached on the basis that this level of reserves will provide sufficient funds for the Charity to meet its obligations to staff, contractors and beneficiaries at any given point in time. The Board considers that this level of free reserves is generally sufficient given the regular and reliable income receivable from the rental of let properties. However, in the short-term as we seek to exit the property portfolio, the Board is aiming to operate at the higher end of this reserves range to mitigate rental income uncertainty as we anticipate more tenancy voids between listing the property and eventual completion of sale, as well as increased professional costs as we exit the portfolio.

Based on the expenditure in 2024, costs for three months amount to £384k. The balance held in unrestricted funds at the end of the year was £682,566. After deducting designated funds of £63,303 in relation to the fixed assets and designated fund £108,664 in relation to early end grants (see note 11) the Charity holds free reserves of £510,599 which meets the target set out in its reserves policy (£384k to £768k).

### PUBLIC BENEFIT

Under the terms of the governing document the charitable objectives of the Willats Trust are to support Christian Workers to share the good news about Jesus Christ in some of the most marginalised communities in England, Wales and Scotland. The Board Directors confirm they have referred to the Charity Commissions guidance on public benefit when reviewing the Charity's aims and objectives, in setting grant making policy and in planning how future activities will contribute to the delivery of the aims and objectives.

The funding of the work of the Guides enables people living in areas of deprivation to live out their faith, sharing the gospel with those in their community, and helping others come to know Jesus. The Guides do this by spending a proportion of their time directly undertaking evangelism, missionary and outreach work in the context of safe and respectful relationships and being embedded in the communities they serve. As well as this work Guides use their activity to give meaning and purpose to the lives of people in underserved areas by providing pastoral care, comforting those in need and, through their employing churches or charities, providing practical support and care to meet the immediate needs of people living in those communities.

### GRANT MAKING POLICY

All grants are reviewed by the Board annually to monitor whether each Guide continues to fulfil the requirements of the Charity. Applications for grants will only be considered by the Trustees if they are in receipt of correctly completed application forms. Applications are evaluated using a range of criteria which ensure we are meeting our charitable objectives, including measures of deprivation for the community under consideration, type of work being undertaken, previous track record of similar work, expected impact and scrutiny of plans and budgets.

All grants are awarded subject to finances permitting and the Board reserves the right to withdraw a grant at any time without notice. All new grants are awarded for a maximum period of three years. At the expiry of the three years, the organisation who has sponsored the application may not make a further application in respect of the same person, within 12 months of the previous grant expiring.

There has been a continued emphasis on making grants to organisations (who are registered charities) who minister to the "lowest and poorest members of society". The Board continues to keep the Charity's grant making activities, how we achieve

# Mr Willats' Charity

## TRUSTEES' REPORT (*continued*)

for the year ended 31 December 2024

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our overall charitable objective, under review to ensure that our grant making strategy is current to the needs of these communities in 2025.

### RISK MANAGEMENT

The Board manages risk faced by The Willats Trust through our risk management framework, which is continually being reviewed and adapted to remain effective in the increasingly uncertain world around us. The Board reviews principal risks to ensure they continue to represent the most significant risks to the Charity and ensure they are managed effectively.

#### Principal Risks

Risk	Mitigating Actions
Insufficient income and reserves for the Charity to achieve its strategic objectives	<ul style="list-style-type: none"><li>• Investment policy developed.</li><li>• Investment policy defines the right blend of investment.</li><li>• Reserves policy developed.</li><li>• Targets set for rent collection, voids and arrears.</li></ul>
Over reliance on a single asset class to generate income.  The quality of the Charity's property portfolio declines because of the increasing costs of maintaining it.	<ul style="list-style-type: none"><li>• Revised financial strategy to build a more balanced and diversified portfolio of investments.</li><li>• 10 year planned preventative maintenance programme (PPM) in place.</li><li>• Year 1 of PPM delivered in 2024.</li><li>• Properties requiring major repairs/ refurbishment identified and options appraisals carried out.</li></ul>
Failure to effectively manage the risks associated with ensuring the Charity's properties are compliant with Building Safety Regulations.	<ul style="list-style-type: none"><li>• Contractors in place for compliance work.</li><li>• Source and implement digital platform as compliance management tool.</li><li>• Monitoring regime in place.</li></ul>

### PAY POLICY FOR KEY MANAGEMENT STAFF

The Board considers that the operational leads - the CEO, the Property Manager, the Grants and Projects Manager and the Finance Manager are the *Key Management Personnel* of the Charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis. Supplementary professional support is provided when required by contractors. The Board Directors give their time freely and no Board Director received remuneration in the year.

The pay for all staff is reviewed by the Board annually. The salaries of the employees may be increased in accordance with average salary increases nationally and those within the charity sector.

### RELATED PARTIES

None of the Board Directors receive remuneration from their work with the Charity. The Charity does repay expenses incurred by the Directors during the fulfilment of their role as Directors. Further details of transactions with related parties can be found in note 12.

# Mr Willats' Charity

## STATEMENT OF THE CORPORATE TRUSTEE'S RESPONSIBILITIES

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The Board is 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 and Wales requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Board is required to:

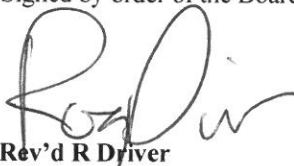
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Board is responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the Trust Deed. It is 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.

The Board is responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board on 10 July 2025

Signed by order of the Board:



**Rev'd R Dwyer**  
**Chair of the Board**

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MR WILLATS' CHARITY

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## OPINION

We have audited the financial statements of Mr Willats' Charity for the year ended 31 December 2024 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 Charity's affairs as at 31 December 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## BASIS OF 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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.

## 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. 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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MR WILLATS' CHARITY (CONTINUED)

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## 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 Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## RESPONSIBILITIES OF THE TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the Trustees 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 Charity'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 charity or to cease operations, or have no realistic alternative but to do so.

## AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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 auditors' 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the Charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MR WILLATS' CHARITY  
(CONTINUED)

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Saffery LLP*

**Saffery LLP**  
Statutory Auditors

St Catherine's Court  
Berkeley Place  
Bristol  
BS8 1BQ

Date: 24 July 2025

Saffery LLP is eligible to act as an auditor under the terms of Section 1212 of the Companies Act 2006.

**Mr Willats' Charity**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
for the year ended 31 December 2024

	Note	Unrestricted Funds £	Endowment Funds £	Total 2024 £	Total (as restated) 2023 £
<b>Income and endowments from:</b>					
Investment property income		1,365,468	-	1,365,468	1,364,651
Other investment income		118,453	-	118,453	40,888
<b>Total income</b>		<b>1,483,921</b>	<b>-</b>	<b>1,483,921</b>	<b>1,405,539</b>
<b>Expenditure on:</b>					
<i>Cost of raising funds:</i>					
Let property expenditure	2	1,050,355	-	1,050,355	680,360
Investment management fees	2	-	5,216	5,216	4,934
<i>Expenditure on charitable activities:</i>					
Grants for parish Guides	1,2	486,595	-	486,595	510,147
<b>Total expenditure</b>	<b>2</b>	<b>1,536,950</b>	<b>5,216</b>	<b>1,542,166</b>	<b>1,195,441</b>
Loss on disposal of fixed assets	3	(2)	-	(2)	-
Unrealised gains/(losses) on revaluation of fixed assets	3	(105,000)	-	(105,000)	-
Unrealised gains/(losses) on revaluation of investment Properties	4	-	(6,541,296)	(6,541,296)	(1,523,500)
Realised loss on sale of investment properties			(56,109)	(56,109)	-
Net gains/(losses) on stock market investments	5	-	52,922	52,922	29,664
<b>Net income/(loss) on ordinary activities before transfers</b>		<b>(158,031)</b>	<b>(6,549,699)</b>	<b>(6,707,730)</b>	<b>(1,283,738)</b>
Transfer of funds	10	-	-	-	-
<b>Net income/(loss) on ordinary activities</b>		<b>(158,031)</b>	<b>(6,549,699)</b>	<b>(6,707,730)</b>	<b>(1,283,738)</b>
<i>Reconciliation of funds</i>					
<b>Funds brought forward</b>		<b>840,597</b>	<b>35,451,801</b>	<b>36,292,398</b>	<b>37,576,136</b>
<b>Funds carried forward</b>	<b>11</b>	<b>682,566</b>	<b>28,902,102</b>	<b>29,584,668</b>	<b>36,292,398</b>

The Charity has no recognised gains or losses other than the results for the year as set out above. All of the activities of the Charity are classed as continuing.

See note 15 for fund accounting comparative figures.

The notes on pages 16 to 30 form part of these financial statements.

# Mr Willats' Charity

## BALANCE SHEET

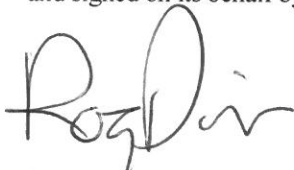
as at 31 December 2024

	Notes	2024 £	2023 (as restated) £
<b>Fixed assets</b>			
Tangible assets	3	63,303	160,455
Investment property	4	25,715,000	34,856,296
Other investments	5	643,211	595,505
		<hr/>	<hr/>
		26,421,514	35,612,256
<b>Current assets</b>			
Debtors	6	123,105	141,571
Cash at bank		4,047,182	1,510,948
		<hr/>	<hr/>
		4,170,287	1,652,519
<b>Creditors: amounts falling due within one year</b>	7	(740,790)	(668,335)
		<hr/>	<hr/>
<b>Net current assets</b>		3,429,497	984,184
<b>Creditors: amounts falling due after more than one year</b>	8	(266,343)	(304,042)
		<hr/>	<hr/>
<b>Total net assets</b>		29,584,668	36,292,398
		<hr/> <hr/>	<hr/> <hr/>
<b>Funds:</b>			
<b>Endowment funds</b>		28,902,102	35,451,801
<b>Unrestricted funds</b>			
- General		510,599	644,226
- Designated: fixed assets		63,303	160,455
- Designated: early-end grants		108,664	35,916
		<hr/>	<hr/>
	11	29,584,668	36,292,398
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 16 to 30 form part of these financial statements.

The financial statements on pages 13 to 30 were approved and authorised for issue by the Board of Trustees on  
10 July 2025 and signed on its behalf by:

Rev'd R Driver  
Chair of the Board



# Mr Willats' Charity

## CASH FLOW

as at 31 December 2024

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	Notes	2024 £	2023 (as restated) £
<b>Net cash inflow from operating activities</b>	16	(115,942)	290,221
<b>Cash flows from investing activities:</b>			
Investment income received		118,453	40,888
<b>Cash flows from financing activities:</b>			
Expenditure on investment properties	4	-	(26,296)
Expenditure on tangible fixed assets	3	(10,168)	(3,522)
Proceeds from the sale on investment property		2,543,891	-
<b>Change in cash and cash equivalents in the year</b>		<u>2,536,234</u>	<u>301,291</u>
<b>Cash and cash equivalents brought forward</b>		1,510,948	1,209,657
<b>Cash and cash equivalents carried forward</b>		<u>4,047,182</u>	<u>1,510,948</u>

The notes on pages 16 to 30 form part of these financial statements

# Mr Willats' Charity

## ACCOUNTING POLICIES

for the year ended 31 December 2024

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### **Basis of accounting**

The financial statements have been prepared under the historical cost convention as modified for investment assets (see below) and in accordance with the Charities Act 2011, the Financial Reporting Standard 102 (FRS102) and the requirements of the Charities Statement of Recommended Practice (FRS102) based thereon.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

The Charity is a public benefit entity as defined under FRS102. There are no material uncertainties affecting the ability of the Charity to continue as a going concern. Please refer to the Reserves Policy section of the Trustees Report, the charity is deemed to have sufficient reserves to meet its obligations as they fall due.

### **Fund structure**

The Charity has a permanent endowment that was established by Mr Willats when he created the Charity through the gifting of a significant number of properties to the Charity. The endowment funds are invested in perpetuity and the majority of those funds remain invested in properties that formed part of the original portfolio gifted by Mr Willats. The income arising on the endowment fund can be used for the general activities of the Charity and are, therefore, unrestricted funds.

Unrestricted income funds comprise those funds which the Charity is free to use for any purpose in furtherance of its charitable objects. In 2023 the Board Directors created two new designated funds – one which represents the value of the fixed asset funds as these funds do not form part of the free reserves of the Charity and one which represents the value of grants previously awarded but ended early to enable these funds to be earmarked and added as additional grant funding available for distribution in subsequent years, over and above budgeted grant expenditure.

### **Income**

All income is recognised once the Charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of the income receivable can be measured reliably.

Rental income is recognised in the month that it falls due. Unpaid rent is accounted for in debtors and any rents received in advance are accounted for as deferred income.

Dividend income is recognised when it has been received by the Charity's fund manager.

### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. All expenses are either apportioned or directly allocated to the applicable expenditure headings. For more information on this allocation refer to 'allocation of support costs' within the accounting policies.

Grants for parish Guides are payments made to third parties in the furtherance of the charitable objects of the Charity. The majority of the grants awarded are multi-year grants and these are recognised in full when the commitment is initially made. Although there are certain conditions that could arise which would forfeit a beneficiary's right to future grants, habitually, most beneficiaries meet all required criteria. For this reason, it was agreed that the Charity would recognise future grant commitments.

# Mr Willats' Charity

## ACCOUNTING POLICIES (*continued*)

for the year ended 31 December 2024

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### Financial instruments

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transactional price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payments, discounted at a market rate of interest if the impact is material.

### Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short-term deposits with a maturity date of 100 days or less.

### Allocation of support costs

Expenditure categorised as support costs are those costs that are not directly attributable to the applicable expenditure headings. They include the following costs:

- Audit and accountancy
- Staff costs
- CEO/Interim Director

All of these costs have been apportioned to the applicable expenditure headings based on an analysis of time spent by the individuals and the professional advisors in relation to those areas of work during the year.

Other costs relating to the running of the office and governance are categorised as administration costs and these are also apportioned to the applicable expenditure headings based on an overall assessment of the total time spent in relation to those areas of work by the key management personnel.

Full details of the allocation of costs can be found in Note 2.

### Costs of raising funds

The costs of raising funds consist of let property repairs and maintenance and professional fees in respect of the properties. It also includes investment management fees in respect of the investments held.

### Pension costs

The Charity complies with the Government's requirements in relation to auto-enrolment and contributes to a fund that meets all necessary criteria. During the year the Charity made contributions to this defined contribution money purchase scheme. The assets of the scheme were held separately from those of the Charity in independently administered funds. The pension charge in the accounts represents employer's contributions payable by the Charity to this pension fund amounting to £4,280 (2023: £2,537). There was no outstanding contribution due at the year-end (2023: nil) in relation to this pension fund.

The Charity also makes contributions to private pension funds for certain employees. The pension charge within the accounts represents employer's contributions payable to these pension funds amounting to £2,731 (2023: £928). The total of the employee's and employer's pension liability in relation to this pension fund amounted to £1,413 (2023: £3,557) at the year end.

# Mr Willats' Charity

## ACCOUNTING POLICIES (*continued*)

for the year ended 31 December 2024

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### **Tangible fixed assets**

Freehold property is recorded at market value and regularly revalued for that purpose.

Other fixed assets are initially recorded at cost and written off over their estimated useful life. Purchases of items relating for furniture & fittings of rental properties are generally of an immaterial value and are expensed when purchased. A separate inventory of these items is maintained and checked regularly. The depreciation rates applied were as follows:

Office equipment – 20% straight line  
Website – 25% straight line

Capital purchases in excess of £1,000 are treated as fixed assets.

### **Critical accounting judgements and key sources of estimation uncertainty**

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Board to have most significant effect on amounts recognised in the financial statements:

#### **Investment property valuations**

The Charity has a large property portfolio which is held for the purposes of rental income and, as such, is classified as investment properties. The fair value is assessed annually by the Board, further details on how the fair value is assessed is noted in note 4 of these accounts, 'Investment Properties'.

Investment property is not depreciated because the Board have adopted a revaluation policy in relation to this asset. The property will be professionally revalued every 5 years, and the value of the property will be adjusted as necessary following this revaluation. A full professional revaluation of the properties held by the Charity was conducted in July 2023. This was conducted by CSquared, Bath in accordance with RICS Valuation – Global Standards, effective 31 January 2022. The Trustees have agreed that between professional revaluations, interim desktop revaluations would be undertaken either in-house or through consultation with an appropriately qualified professional individual. If there is some indication that revaluation has occurred, the carrying value of the property would be updated in accordance with that review.

Note 4 gives more information about the impact of an interim desktop revaluation impacting on the 2024 financial statements, detailing the basis of the current year revaluation and prior year restatement that arose from this.

#### **Investment assets**

##### *Properties:*

The Charity's investment properties are carried forward at market value, as noted in the previous section. Any cost of work carried out on improvements which give rise to future economic benefits is capitalised at cost.

##### *Other investments:*

These are shown in the balance sheet at middle market value.

#### **Realised and unrealised gains and losses**

Gains and losses on the sale of property and investments in excess of the brought forward valuation are treated as realised gains or losses and are credited or debited to the Statement of Financial Activities.

Unrealised gains or losses arising on the revaluation of properties and investments are credited or debited to the Statement of Financial Activities.

**Mr Willats' Charity**  
 NOTES TO THE ACCOUNTS  
 for the year ended 31 December 2024

1 Grants for parish Guides	2024 £	2023 £
<b>Net grant cost of grants awarded in the year</b>	377,252	442,084
Cost allocation		
Salary costs: CEO/Interim Director	30,090	8,714
Salary costs: other staff	38,142	25,355
Audit, Accountancy & valuation fees	9,324	10,998
Administration costs	31,787	22,996
	<hr/>	<hr/>
Total costs as stated in the SOFA (see note 2)	486,595	510,147
	<hr/> <hr/>	<hr/> <hr/>
<b>Reconciliation of grant commitments</b>		
New grants awarded for parish Guides in the year	450,000	478,000
Re-distribution of early-end grants	19,540	-
Repayment of previously awarded grants to Guides (see note 11)	(92,288)	(35,916)
	<hr/>	<hr/>
	377,252	442,084
Commitment brought forward at the start of the year	597,709	457,792
Payments made to Guides during the year	(395,442)	(302,167)
	<hr/>	<hr/>
Commitments carried forward at the end of the year	579,519	597,709
	<hr/> <hr/>	<hr/> <hr/>
Split of commitments carried forward:		
Grants for parish Guides due within one year (see note 7)	313,176	293,667
Grants for parish Guides due in greater than one year (see note 8)	266,343	304,042
	<hr/>	<hr/>
	579,519	597,709
	<hr/> <hr/>	<hr/> <hr/>

All grants were paid to institutions who act as intermediary grant recipients on the basis that the grants paid were to support the employment costs of specific individuals acting as Guides whilst fulfilling their ministry.

# Mr Willats' Charity

## NOTES TO THE ACCOUNTS (continued)

for the year ended 31 December 2024

### 2 Total expenditure

#### 2024

	Salary Costs: CEO/Interim Director £	Salary Costs: Other Staff £	Audit & Accounts Services £	Admin Costs £	Other Direct Costs £	Total £
Let property expenditure	30,090	71,200	17,316	58,999	872,750	1,050,355
Investment management fees	-	-	-	-	5,216	5,216
Grants for parish guides (see note 1)	30,090	38,142	9,324	31,787	377,252	486,595
	<u>60,180</u>	<u>109,342</u>	<u>26,640</u>	<u>90,786</u>	<u>1,255,218</u>	<u>1,542,166</u>

#### 2023

	Salary Costs: Interim Director £	Salary Costs: Other Staff £	Audit & Accounts Services £	Admin Costs £	Other Direct Costs £	Total £
Let property expenditure	8,714	47,089	20,424	42,708	561,425	680,360
Investment management fees	-	-	-	-	4,934	4,934
Grants for parish guides (see note 1)	8,714	25,355	10,998	22,996	442,084	510,147
	<u>17,428</u>	<u>72,444</u>	<u>31,422</u>	<u>65,704</u>	<u>1,008,443</u>	<u>1,195,441</u>

In analysing the total expenditure by the Charity some costs have been apportioned. The apportionments used are detailed below:

	CEO/Interim Director %	Staff Costs %	Audit & Accountancy %	Admin Costs %
<b>2024</b>				
Let property	50	65	65	65
Grants for parish Guides	50	35	35	35
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
<b>2023</b>				
Let property	50	65	65	60
Grants for parish Guides	50	35	35	40
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

# Mr Willats' Charity

## NOTES TO THE ACCOUNTS (continued)

for the year ended 31 December 2024

### 2 Total expenditure (continued)

All remaining costs are shown under the heading 'other direct costs' and are charged directly to the three cost headings as appropriate.

Included within the net grant expenditure of £377,252 (2023: £442,084) are individual grants payable to Guides. All grants are given for the same charitable purpose which is to assist parishes in the churches of England, Wales and Ireland by contributing towards the salaries/expenses of lay pastoral workers.

Total governance costs were £99,497 (2023: £55,622). These costs have been split proportionately between let property costs and grants for parish Guides.

#### Auditor's remuneration

Included within audit and accountancy services expenditure above, amounts payable to the Charity's auditor are detailed as follows: audit fees for the current year of £20,440 (2023: £15,060); no other fees (2023: £nil) were paid to the auditors during the year.

### 3 Tangible fixed assets

#### 2024

	Freehold Property £	Office Equipment £	Furniture & Fittings £	Website £	Total £
<b>Cost</b>					
At the start of the year	155,000	42,443	277,352	22,948	497,743
Additions	-	10,168	-	-	10,168
Disposals	-	(26,760)	(277,352)	-	(304,112)
Revaluation	(105,000)	-	-	-	(105,000)
As the end of the year	50,000	25,851	-	22,948	98,799
<b>Depreciation</b>					
At the start of the year	-	37,528	276,812	22,948	337,288
Charge for the year	-	1,778	540	-	2,318
Write back on disposal	-	(26,758)	(277,352)	-	(304,110)
As the end of the year	-	12,548	-	22,948	35,496
<b>Net book value</b>					
As the end of the year	50,000	13,303	-	-	63,303

Office equipment items no longer in use were removed from the fixed asset register. Whilst most items were at nil net book value, a charge of £2 (2023: nil) arose from the disposal.

The furniture and fittings disposal relates to minor items on property inventories. These are below the fixed assets threshold of £1,000 and so have been disposed. These items are checked annually on a separate property inventory.

# Mr Willats' Charity

NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2024

## 3 Tangible fixed assets (continued)

2023

	Freehold Property £	Office Equipment £	Furniture & Fittings £	Website £	Total £
<b>Cost</b>					
At the start of the year	155,000	43,902	276,813	22,948	498,663
Additions	-	2,983	539	-	3,522
Disposals	-	(4,442)	-	-	(4,442)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As the end of the year	155,000	42,443	277,352	22,948	497,743
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At the start of the year	-	39,567	266,702	22,948	329,217
Charge for the year	-	2,403	10,110	-	12,513
Write back on disposal	-	(4,442)	-	-	(4,442)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As the end of the year	-	37,528	276,812	22,948	337,288
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
As the end of the year	155,000	4,915	540	-	160,455
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# Mr Willats' Charity

## NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2024

### 4 Investment properties

2024	Commercial £	Residential £	Total £
Valuation at the start of the year	3,130,000	31,726,296	34,856,296
Improvements at cost during year	-	-	-
Property disposal during the year	-	(2,600,000)	(2,600,000)
Revaluation of property during year	-	(6,541,296)	(6,541,296)
	<hr/>	<hr/>	<hr/>
Valuation at the end of the year	<u>3,130,000</u>	<u>22,585,000</u>	<u>25,715,000</u>
	<hr/>	<hr/>	<hr/>
2023 (as restated)	Commercial £	Residential £	Total £
Valuation at the start of the year	4,603,500	31,750,000	36,353,500
Improvements at cost during year	-	26,296	26,296
Revaluation of property during year	(1,473,500)	(50,000)	(1,523,500)
	<hr/>	<hr/>	<hr/>
Valuation at the end of the year	<u>3,130,000</u>	<u>31,726,296</u>	<u>34,856,296</u>
	<hr/>	<hr/>	<hr/>

During 2024, a decision was made to change the way the permanent endowment is invested, resulting in a strategic plan to minimise investment property and increase investments in stocks, shares, gilts, etc. This is explained more fully in the Trustees report. The plans include selling properties as a whole unit to minimise loss of rental income and reduce fees of selling compared to individual flats. The previous full valuation in July 2023 contained 2 valuation methods; a lower value for properties valued as a whole, and a higher valuation for the properties valued as individual flats. At the time there was no plan to exit the property market. Revenue returns are generated on an individual flat basis, and so the higher value was agreed to be the best reflection of property value at that time.

With the 2024 decision to minimise property investments and maximise other investments by selling the property as a whole, the 2023 valuation method was no longer appropriate for the 2024 financial statements. An element of this would be to adopt the lower whole property valuation from the original July 2023 full valuation report. Current properties identified for sale were consistently showing market values below the 2023 valuation, and so an interim desk-top valuation was conducted by Carter Jonas, with each residential property being inspected.

The information received indicated the current market value per whole property was collectively below the July 2023 valuation, resulting in a downward property revaluation during the year. Further issues were uncovered for 3 of the commercial properties due to either error or inaccurate assumptions, leaving the 2023 valuation overstated and requiring a prior year re-statement to reflect this. The full adjustment is summarised in the table below.

The Board estimates that the market value of the freehold investment properties at 31 December 2024 is £25,715,000 (2023: £34,456,296), plus leasehold properties of £50,000 (2023: £400,000).

If revalued assets were stated on an historical cost basis rather than a fair value basis, the carrying amounts would have been approximately £365,000 (2023 - £395,000).

# Mr Willats' Charity

NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2024

## 4 Investment properties (continued)

### Breakdown of Investment Property Valuation Movement

	<i>Breakdown</i> £	Commercial £	Residential £	Total £
Valuation per 2023 published accounts		4,603,500	31,726,296	36,329,796
<u>Prior Year adjustment made up of:</u>				
- Leasehold rent based on incorrect lease value	(550,000)			
- Assumed upper floors refurbished and let	(650,000)			
- Assumed change of use with planning permission	<u>(273,500)</u>			
		(1,473,500)	-	(1,473,500)
Re-stated Investment property value prior year		3,130,000	31,726,296	34,856,296
<b>Revaluation resulting from interim desktop valuation</b>				
- Adjustment for whole property valuation	(2,542,500)			
- Further overall reduction based on market value assessment	<u>(3,998,796)</u>			
		-	(6,541,296)	(6,541,296)
Property sale completed in the year		-	<u>(2,600,000)</u>	<u>(2,600,000)</u>
Investment property valuation 2024		<u>3,130,000</u>	<u>22,585,000</u>	<u>25,715,000</u>

# Mr Willats' Charity

## NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2024

### 5 Other investments

	2024	2023
	£	£
Market value at the start of the year	595,505	570,775
Portfolio fees	(5,216)	(4,934)
Net gain/(loss)	52,922	29,664
	<hr/>	<hr/>
Market value at the end of the year	643,211	595,505
	<hr/> <hr/>	<hr/> <hr/>
Historical cost at the end of the year	566,984	532,592
	<hr/> <hr/>	<hr/> <hr/>
The investments are held as follows:	2024	2023
	£	£
Equities and convertible stocks	331,144	420,225
Gilts and other fixed interest stocks	292,225	151,235
Cash and cash equivalents	19,842	24,045
	<hr/>	<hr/>
	643,211	595,505
	<hr/> <hr/>	<hr/> <hr/>
Analysis by geographical sector	2024	2023
	£	£
Investment assets in the UK	101,452	103,701
Investment assets outside of the UK	541,759	491,804
	<hr/>	<hr/>
	643,211	595,505
	<hr/> <hr/>	<hr/> <hr/>

### 6 Debtors

	2024	2023
	£	£
Rents receivable	20,368	30,916
Other debtors	10	1,273
Prepayments	102,727	109,382
	<hr/>	<hr/>
	123,105	141,571
	<hr/> <hr/>	<hr/> <hr/>

# Mr Willats' Charity

## NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2024

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<b>7</b>	<b>Creditors: amounts falling due within one year</b>	2024	2023
		£	£
	Rents invoiced in advance	61,950	76,985
	Rents received in advance	14,035	4,160
	Trade creditors	113,993	134,210
	Tax and social security	4,653	2,313
	Accruals	86,802	17,261
	Other creditors	146,181	139,739
	Grants due to Parish Guides	313,176	293,667
		<hr/>	<hr/>
		740,790	668,335
		<hr/>	<hr/>
<b>8</b>	<b>Creditors: amounts falling due after more than one year</b>	2024	2023
		£	£
	Grants due to Parish Guides	266,343	304,042
		<hr/>	<hr/>
<b>9</b>	<b>Staff costs</b>	2024	2023
		£	£
	Salaries	142,547	79,783
	Employer's NI	9,556	2,325
	Pension contributions	7,010	3,464
		<hr/>	<hr/>
		159,113	85,572
		<hr/>	<hr/>
	Average weekly number of employees during the year, calculated on an average headcount basis	4	3
		<hr/>	<hr/>

No individual employed by the charity received remuneration in excess of £60,000 during the current or previous year.

The Key Management personnel of the Charity, as previously stated in the Trustees' Report, comprise of the Directors of the Corporate Trustee, the CEO (appointed September 2024), the Property Manager, the Finance Manager (appointed April 2024) and the Grants and Project Manager. The total remuneration paid by the Charity to the Key Management personnel was £147,330 (2023: £73,750).

# Mr Willats' Charity

## NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2024

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### 10 Transfers

The Charity holds significant endowment funds, the majority of which are invested in property. The Board believes that in order to safeguard the asset value and future income streams of the property portfolio it is necessary to maintain and improve the endowment properties. All endowment property improvements are added to the brought forward value of the property portfolio. The endowment funds do not receive any income and, therefore, only hold cash reserves if endowment assets have been sold. Unlike previous years, the endowment has £2,543,891 from the sale of a property during 2024.

Historically, where the endowment funds have not been able to finance the full cost of property improvements, the shortfall is met by a fund transfer from the unrestricted funds. This has the immediate effect of reducing the unrestricted funds' reserves but the Board believes that the preservation of the property portfolio has resulted in higher future income generation for that fund.

In 2024, there was no capital expenditure for property enhancements (2023: £26,296).

The movements relating to the inter-fund loan are detailed below:

	2024	2023
	£	£
Transfer of unrestricted funds to endowment funds in relation to improvements to properties held by the endowment funds	-	26,296

# Mr Willats' Charity

NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2024

## 11 Analysis of net assets between funds

2024

	Investment Property £	Other Investments £	Fixed Assets £	Net Assets/ (Liabilities) £	Total £
Endowment funds	25,715,000	643,211	-	2,543,891	28,902,102
Unrestricted funds					
- General	-	-	-	510,599	510,599
- Designated: fixed assets	-	-	63,303	-	63,303
- Designated: early-end grants	-	-	-	108,664	108,664
	<u>25,715,000</u>	<u>643,211</u>	<u>63,303</u>	<u>3,163,154</u>	<u>29,584,668</u>

2023 (as restated)

	Investment Property £	Other Investments £	Fixed Assets £	Net Assets/ (Liabilities) £	Total £
Endowment funds	34,856,296	595,505	-	-	35,451,801
Unrestricted funds					
- General	-	-	-	644,226	644,226
- Designated: fixed assets	-	-	160,455	-	160,455
- Designated: early-end grants	-	-	-	35,916	35,916
	<u>34,856,296</u>	<u>595,505</u>	<u>160,455</u>	<u>680,142</u>	<u>36,292,398</u>

Details of the prior year restatement can be found in the investment properties note (note 4).

## 12 Related party transactions and Board Directors' expenses and remuneration

One Board member is also a Trustee of St John's Charity and during the year the Charity paid £2,444 (2023: £1,444) to St John's Charity for room hire and refreshments. No other related party transactions were entered into during the current or previous year.

During the year, no Board Director received any remuneration (2023: £nil) but expenses amounting to £1,900 (2023: £3,285) were claimed by the Trustees in relation to travel and accommodation costs.

## 13 Capital commitments

At the year end the Charity had committed to spending in relation to the refurbishment of the upper floors at 20 High Street to create a 6-bedroom HMO, with the expectation works will be completed and the new floors let from September 2025. The estimated value of this commitment as at the year end was £210,000 (2023: £nil – previously reported expenditure was a repair not a capital commitment).

# Mr Willats' Charity

NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2024

## 14 Post balance sheet events

As part of the transition from property to financial investments, best-and-final open market offers have been received for 2 properties. The surveys are still pending and so a final selling price is not yet known. The current investment property value is indicative of the final amount realisable after the sale negotiations have been concluded.

## 15 Fund accounting comparative figures

### 2023 (as restated)

	Unrestricted Funds £	Endowment Funds £	Total 2023 £
<b>Income and endowments from:</b>			
Investment property income	1,364,651	-	1,364,651
Other investment income	40,888	-	40,888
	-----	-----	-----
<b>Total income</b>	1,405,539	-	1,405,539
	-----	-----	-----
<b>Expenditure on:</b>			
<i>Cost of raising funds:</i>			
Let property expenditure	680,360	-	680,360
Investment management fees	-	4,934	4,934
	-----	-----	-----
<i>Expenditure on charitable activities:</i>			
Grants for parish Guides	510,147	-	510,147
	-----	-----	-----
<b>Total expenditure</b>	1,190,507	4,934	1,195,441
	-----	-----	-----
Unrealised gains on revaluation of fixed assets	-	-	-
Unrealised gains on revaluation of investment properties	-	(1,523,500)	(1,523,500)
Net gains on stock market investments	-	29,664	29,664
	-----	-----	-----
<b>Net income on ordinary activities</b>	215,032	(1,498,770)	(1,283,738)
Transfer of funds	(26,296)	26,296	-
	-----	-----	-----
<b>Net income/(loss) on ordinary activities</b>	188,736	(1,472,474)	(1,283,738)
<i>Reconciliation of funds</i>			
<b>Funds brought forward</b>	651,861	36,924,275	37,576,136
	-----	-----	-----
<b>Funds carried forward</b>	840,597	35,451,801	36,292,398
	=====	=====	=====

Details of the prior year restatement can be found in the investment properties note (note 4).

# Mr Willats' Charity

NOTES TO THE ACCOUNTS *(continued)*  
for the year ended 31 December 2024

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## 16 Reconciliation of net movements in funds to net cash generated from operating activities

	2024	2023
	£	(as restated) £
<b>Continuing activities</b>		
Net movement in funds	(6,707,730)	(1,283,738)
Deduct investment income	(118,453)	(40,888)
Add back depreciation of tangible fixed assets	2,318	12,513
Deduct gains on investments	(52,922)	(29,664)
Add back losses on fixed asset disposals	2	-
Add back investment management fees	5,216	4,934
Add decrease / deduct increase in debtors	18,466	(19,598)
Add back increase in creditors	34,756	123,162
Add back loss on sale of investment property	56,109	-
Unrealised loss/(gain) on revaluations of investment properties	6,541,296	1,523,500
Unrealised loss/(gain) on revaluations of fixed assets	105,000	-
	<hr/>	<hr/>
Net cash inflow from operating activities	(115,942)	290,221

**MR WILLATS' CHARITY**

England & Wales - Charity number 202269

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# Accounts

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THE  
WILLATS  
TRUST

REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2023

Charity no: 202269

## **Governing document and constitution**

The Charity was set up under an Indenture dated 13 November 1858 by Mr William Willats. Mr Willats' Corporate Trustee Ltd is the sole Trustee of Mr Willats' Charity. The Charity has the working title of 'The Willats Trust'. The individuals that served as Directors to the Corporate Trustee during the year are detailed below:

### **Directors of the Corporate Trustee**

The Rev'd. R Driver (Appointed as Chair 22 December 2023)

Mr T Friend

The Rev'd. Dr M Ifode-Blease (Resigned 22 December 2023)

Mr P LeRoy (Resigned 6 December 2023)

Mr C Sheppard (Appointed 3 April 2023)

Mrs A Noyce (Appointed 5 September 2023)

Mr P Suller (Appointed 6 December 2023)

All appointments and resignations during the year or up to the time of the signing of these accounts have been noted.

### **Interim Director**

Mrs A Anketell (Appointed 7 August 2023)

### **Finance Manager**

Mrs M Tonner (Appointed 8 April 2024)

### **Property Manager**

Mrs E L Palfreyman

### **Grants Administrator**

The Revd. M Schoeman (Resigned 10 April 2024)

### **Administrator**

Mrs S Heavens (Maternity cover provided from 10 January 2023 to 14 October 2023)

### **Team Administrator**

Ms K Brown (Appointed 27 November 2023)

### **Principal office**

Basement 19 Rivers Street  
Bath BA1 0AQ

### **Website**

[www.willatstrust.org](http://www.willatstrust.org)

### **Bankers**

C Hoare & Co  
37 Fleet Street  
London EC4P 4DQ

### **Solicitors**

Thrings  
2 Queen Square  
Bath BA1 2HQ

National Westminster Bank plc  
24/25 Stall St  
Bath BA1 1QS

### **Auditors**

Saffery LLP  
St Catherine's Court  
Berkeley Place  
Bristol BS8 1BQ

### **Investment managers**

Cazenove Capital  
1 London Wall Place  
London  
EC2Y 5AU

# Mr Willats' Charity

## TRUSTEES' REPORT

for the year ended 31 December 2023

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### OBJECTIVES AND ACTIVITIES

Mr Willats' Charity was established in 1858 by its Founder, William Willats, to support Christian workers to share the good news about Jesus Christ in some of most marginalised communities in the UK. The Charity achieves this by contributing towards the salary of lay pastoral workers ('Guides') in the form of grants. To fund the objectives of the Charity, the Founder created a sizable endowment by bequeathing a significant property portfolio to the Charity. This is managed by the Charity and the surpluses generated through investment income are used to fund the grants given to 'Guides'.

### ORGANISATIONAL STRUCTURE

The Charity is governed by a sole 'Corporate Trustee' entitled Mr Willats' Corporate Trustee Limited. The Directors of the Corporate Trustee act as the Trustees of the Charity.

The Board of Directors ("the Board") has delegated the day-to-day running of the Charity to its Interim Director. The Board meets regularly to consider the business of the Charity including the consideration of applications for grants and to receive reports from the Guides, and the Interim Director. Following the resignation of the Clerk on 8 September 2022, the Board appointed a new Interim Director with effect from 7 August 2023.

### APPOINTMENT OF DIRECTORS TO THE CORPORATE TRUSTEE

The Directors who have served during the year, and since the year end, are set out on page 1. Directors are appointed by the existing Board.

### ACHIEVEMENTS AND PERFORMANCE

#### The day-to-day operations of the Charity

#### The Charity's Grant Making Activities

In 2023 we continued to work to encourage and resource evangelism in economically marginalised areas. During the year we funded an additional 19 Guides whose work and activities set out to nurture and grow people's journeys in Christian Faith. Much of the Guides' work involves reaching out to the unchurched especially young people by nurturing their spiritual interest and well-being.

The Charity's financial year runs from the 1 January to 31 December and the total of Grants awarded in the year was £478,000 (2022: £377,500). All guides funded were in ministries or areas where the Willats Trust felt they could support and help to sustain over a period of 3 years. The breakdown of these ministries can be seen in the Chart below and indicates that Community Outreach remains the main ministry where our Guides work.



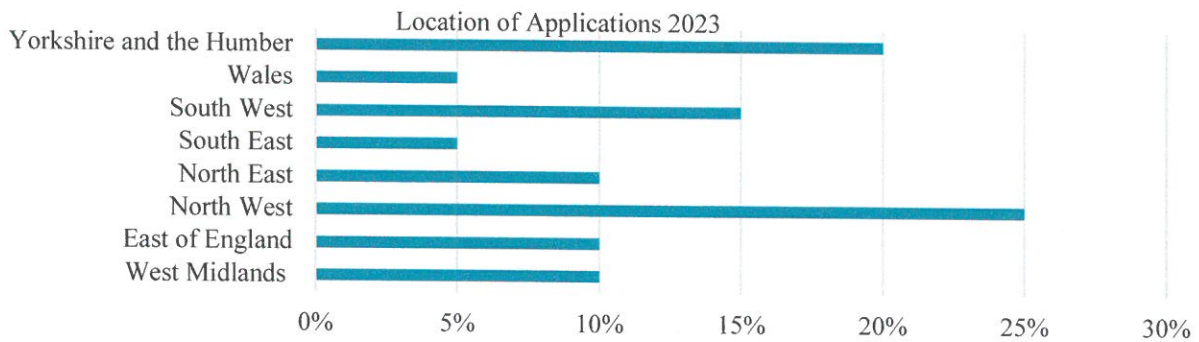
**Mr Willats' Charity**  
**TRUSTEES' REPORT** *(continued)*  
 for the year ended 31 December 2023

**ACHIEVEMENTS AND PERFORMANCE** *(continued)*

**The day-to-day operations of the Charity** *(continued)*

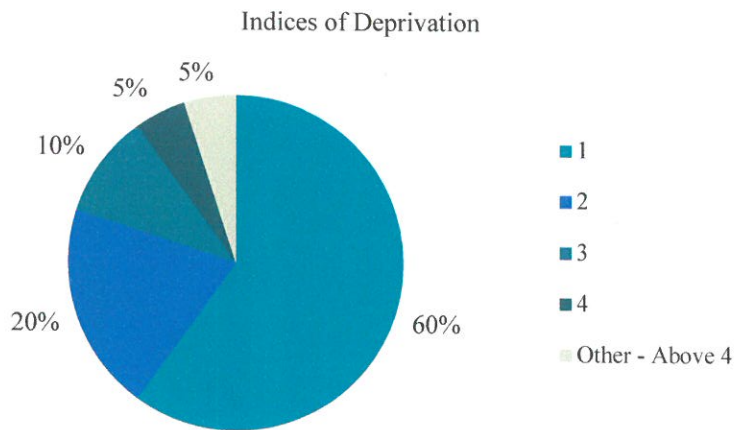
**The Charity's Grant Making Activities** *(continued)*

In terms of geographical distribution, the Charity's grant programme takes a nationwide approach covering England, Wales and Northern Ireland. It is therefore important that we make grants across these areas. The Chart below shows the percentage of Grants made in 2023 split by geographical areas.



We continue to find that much of the work meeting the greatest of need is within the most deprived, mainly urban areas of the UK.

In 2023, 95% of our Grants were made to Guides based in the Geographical areas in the top 5% Indices of multiple deprivation. Generally, applicants in the top 1% most deprived areas have the greatest chance of being awarded a grant and the chart below shows that 2023 followed that trend.



We will continue to review the geographical spread of our Grant making to ensure that we are receiving applications from all areas we cover and that our Grant making is targeted to need.

The principle of partnership is an important means of the effective spread of the Gospel. The Willats Trust see the partnerships we have with organisations, as key to ensuring the Charity makes the best and most effective use of its Grants. The Charity channels funding for Guides through these organisations who directly employ and support the Guides. This ensures that Guides have a local support and mentoring structure to sustain them. In 2023 82% of our Grants were awarded to Churches and 18% to other organisations such as Charities or Voluntary Groups.

# Mr Willats' Charity

## TRUSTEES' REPORT *(continued)*

for the year ended 31 December 2023

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### ACHIEVEMENTS AND PERFORMANCE *(continued)*

#### **The day-to-day operations of the Charity *(continued)***

#### **The Charity's Grant Making Activities *(continued)***

In addition to the 19 new Grants awarded in 2023, the Charity was already supporting 34 existing Guides. Once a grant has been approved, Guides report back to us on their progress annually for the duration of their Grant. These reports provide valuable information on issues our Guides are facing, and the progress of work supported by our Grants. Some common themes run through the feedback. During 2023 Guides funded by the Willats Trust experienced difficulties with capacity, the recruitment of Volunteers, and a constantly changing environment with regards to the organisations they were working for, and team and staff changes as well as having to change working environments/buildings etc. Guides also highlighted the shortage of leaders to run young people's activities and the challenges of ensuring that mission and discipleship remain central whilst meeting other socio-economic needs.

In terms of the people that Guides are working with and supporting on their journeys, they are finding that people are presenting with a diversity of needs both at church, at activities and on the streets. These needs include mental health, alcohol and drug dependency. Guides pointed to the need for more one-to-one support and alongside the needs mentioned above limited literacy skills and poor access to technology were highlighted.

#### **The Charity's Properties**

The Charity owns a number of substantial Georgian listed properties in Bath, a UNESCO World Heritage City. The properties continue to provide a healthy income for the Charity to support its Guides. Given the geographical location of the properties, they require considerate, careful and sympathetic planned maintenance and refurbishment. There remain some residential properties that are in need of refurbishment and modernisation before they will be in a position to be let at their full market rent. In 2023 work was completed on one of these properties to bring it back to lettable condition. The sale of one of our properties in St James Square proceeded to exchange of contracts in late December 2023 and completed post year-end in March 2024.

£260k was spent on property repairs compared to the budget of £526k in 2023. The underspend reflects timing and phasing of work both in terms of the under-commissioning of works in the earlier part of the year and then delays starting external work in the later part of the year due to weather conditions. During 2023 we commissioned a comprehensive review of our property portfolio and developed a 10-year planned preventative programme which will enable the Charity to deal with a backlog of repairs built-up during the pandemic and Covid safer working, and ensure that we are continuing to invest in our existing stock. Data from the review will inform future decisions on investment in the properties.

Ensuring Building Safety is a key consideration for the Charity. The safety of our customers in their homes continues to be of the utmost importance to us. We continue to comply with all relevant legislation relating to Building Safety. In 2024 we will source new software to better facilitate our compliance certification and reporting.

In 2023, residential rental income was up 9.45% against the previous year, indicating strong performance on lettings, rent collection and arrears. All available lets of the Charity's student properties were completed for the following academic year. During the year a watching brief was maintained on the Renters' Reform Bill which will have an impact on the Charity. Legal advice was taken in late 2023, and a number of actions identified which will help the Charity ensure that it is ready to implement changes. A review of tenure and resident mix has been undertaken to ensure that the Charity is receiving the best return and will continue to do so under any new legislation.

# Mr Willats' Charity

## TRUSTEES' REPORT (*continued*)

for the year ended 31 December 2023

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### FUTURE PLANS

Our plans for the next three years have been heavily influenced by our operating environment and we will be responding to this by focussing on four key areas that make up our strategic objectives. Our strategy sets out how we will meet the major challenges facing us.

The four Key areas are as follows:

#### **Build Financial Resilience**

- Review the Charity's Income and Investment Strategy to ensure we have sufficient resources to support our Grant giving ambition;
- Develop an Investment Strategy that defines targets for a diversified portfolio;
- Review and rationalise the property portfolio.

#### **Establish a Newly refreshed Grant Strategy**

- Clarify the Ground rules by which we must operate;
- Review and define what we want to achieve with our Grant making;
- Review funding approaches including how we collaborate with other organisations;
- Use our Grants Strategy to guide how the organisation works in terms of systems and processes.

#### **Build a Strong Board**

- Ensure the right mix of Board members;
- Review Governance Structures and develop an effective sub-committee structure.

#### **Develop Organisational Strength**

- Invest in staff and ensure they are supported and developed;
- Invest in systems processes and policies;
- Deliver Strong Operational performance and ensure that an appropriate level of reserves is maintained;
- Maintain high level of Health and Safety compliance, including for colleagues and tenants.

### FINANCIAL REVIEW

The Charity's work is entirely reliant on income and investment returns from its endowment fund which is, predominantly, invested in residential properties in Bath.

Before accounting for inter-fund transfers and asset revaluations, the Charity made an unrestricted surplus of £215,032 (2022: £284,232) in the year. The Board agreed to transfer the sum of £26,296 (2022: £167,998) to the endowment fund to finance improvements to the properties held within the endowed portfolio. More information relating to these transfers can be found in note 10 of these accounts. In 2022 the unrestricted funds of the Charity were further diminished following a downward revaluation of £306,300 in relation to the office property held by the Charity within its fixed assets – no such adjustment was necessary in 2023. After accounting for transfers and the revaluation adjustment, an overall unrestricted surplus of £188,736 was recorded in 2023 (2022: deficit of £190,066). Board Directors are content with the results achieved by the Charity in 2023 as it exceeded the budgeted surplus anticipated at the start of the year.

The unrestricted funds brought forward at the start of the year were £651,861 (2022: £841,927); adding the surplus of £188,736 (2022: deficit of £190,066) for the year gives a total unrestricted fund value of £840,597 (2022: £651,861) carried forward at the year end.

# Mr Willats' Charity

## TRUSTEES' REPORT (*continued*)

### for the year ended 31 December 2023

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#### FINANCIAL REVIEW (*continued*)

The endowment funds brought forward at the start of the year were £36,924,275 (2022: £40,375,510). During the year the endowment fund made a small surplus of £1,026 (2022: deficit of £3,451,235). The deficit sustained last year arose as a result of the fall in investment properties held by the endowment fund following a whole property portfolio valuation performed by CSquared of 82 Walcot Street, Bath. CSquared confirmed that no further revaluation adjustments were required to the property values at the end of 2023, however, an adjustment has been made to the carrying values of one property to match with the value of the sale completed in March 2024. More information relating to the property revaluations can be found in note 4 of these accounts. The movement for the year was added to the brought forward funds to give a total endowment fund of £36,925,301 (2022: £36,924,275) carried forward at the year end.

The total reserves carried forward at the year-end amounted to £37,765,898 (2022: £37,576,136).

#### INVESTMENT POLICY AND PERFORMANCE

The investment powers of the Board are governed by the Trust Deed, as amended. The Charity holds a small stock market investment portfolio, and the Board seeks to obtain, through its investment manager, a balance in income return and capital growth from the Charity's quoted stocks and shares. During the year the stock portfolio was managed by Cazenove.

In light of benchmark indicators, the Board is satisfied with the performance of the stock portfolio during the year which resulted in the portfolio achieving realised and unrealised gains of £29,664 (2022: loss of £56,687). Dividend income was in line with expectations. See note 5 for more details.

The majority of the Charity's investment assets are held as freehold property. In accordance with accounting standards, the Board has agreed that the property portfolio will be professionally revalued once every 5 years and the property values carried forward would then be adjusted, as necessary, to reflect these valuations. The last fully revaluation was undertaken by CSquared, Bath, in July 2023, in accordance with RICS Valuation – Global Standards, effective 31 January 2022 and the value of the properties were adjusted following this revaluation. As a result of this revaluation, the value of the property investments held by the Charity fell by £3,557,500. The Board has agreed that between the full professional revaluation interim desk-top revaluations would be undertaken either in-house or through consultation with an appropriately qualified professional individual. As at 31 December 2023, the Trustees asked CSquared to perform the interim desk-top revaluation and, as a result, they confirmed that no further revaluation adjustments were required to the property values at the end of 2023, however, an adjustment has been made to the carrying values of one property to match that value with the value of a sale completed in March 2024. This adjustment was a downward adjustment of £50,000.

At the year end, the value of investment properties held by the Charity was £36,329,796 (2022: £36,353,500) and the Board is satisfied that this represents a true reflection of the current market value of its property investment portfolio at the year end. The Board is confident that freehold property is a valuable element of the endowment portfolio, moving forward, however, this will be reviewed as part of the Charity's strategic objectives for 2024. The Board continues to seek to maintain and improve the Charity's property portfolio through a planned program of repair and refurbishment to ensure that it maximises the income potential of the assets held.

#### RESERVES POLICY

The Board has agreed that they will aim to maintain free unrestricted funds at a level that equates to approximately three months of its expenditure. This decision was reached on the basis that this level of reserves will provide sufficient funds for the Charity to meet its obligations to staff, contractors and beneficiaries at any given point in time. The Board considers that this level of free reserves is sufficient given the regular and reliable income receivable from the rental of let properties.

# Mr Willats' Charity

## TRUSTEES' REPORT (*continued*)

for the year ended 31 December 2023

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### RESERVES POLICY (*continued*)

Based on the expenditure in 2023, costs for three months amount to approximately £293k. As previously stated, the balance held in unrestricted funds at the end of the year was £840,597. After deducting designated funds of £160,455 in relation to the fixed assets and designated fund £35,916 in relation to early ending grants (see note 11) the Charity holds free reserves of £644,226 which exceeds the target set out in its reserves policy. The Board is comfortable holding excess funds in the unrestricted reserves of the Charity as we are aware that some of the property maintenance planned for previous years is still outstanding and, as a result, the expenditure in future years may exceed income and this financing will be met by a draw down against the brought forward reserves.

### PUBLIC BENEFIT

Under the terms of the governing document the charitable objectives of the Willats Trust are to support Christian Workers to share the good news about Jesus Christ in some of the most marginalised communities in the UK. The Board Directors confirm they have referred to the Charity Commissions guidance on public benefit when reviewing the Charity's aims and objectives, in setting grant making policy and also in planning how future activities will contribute to the delivery of the aims and objectives.

The funding of the work of the Guides enables people living in areas of deprivation to live out their faith, learning about the gospel and developing their knowledge and trust in Jesus. The Guides do this by spending a proportion of their time directly undertaking evangelism, missionary and outreach work. As well as this work Guides use their activity to give meaning and purpose to the lives of people in underserved areas, by providing pastoral care and comforting those in need.

### GRANT MAKING POLICY

Whilst the expectation of the Charity is that the predominance of the Guide's work must be with their 'client group', the Board recognises that today the duties of a lay worker in an organisation will often include some administrative work. The Board expects, however, that if appointed as a Guide, this aspect of their funded work must be minimal.

All grants are awarded subject to finances permitting and the Board reserves the right to withdraw a grant at any time without notice. All new grants are awarded for a maximum period of three years. At the expiry of the three years, the organisation who has sponsored the application may not make a further application in respect of the same person, within 12 months of the previous grant expiring.

All grants are reviewed by the Board annually to monitor whether each Guide continues to fulfil the requirements of the Charity. Applications for grants will only be considered by the Trustees if they are in receipt of correctly completed application forms.

There has been a continued emphasis on making grants to organisations (who are registered charities) who minister to the "*lowest and poorest members of society*". The Board continues to keep under review the Charity's grant making activities and, in this regard, see additional comments under the heading 'Future Plans'.

### GOVERNANCE

The Board has identified the need to appoint additional Directors to broaden the skills and expertise present on the Board. This process is already underway and three new Directors were appointed in 2023. During the year the Board undertook a skills audit to help identify gaps in their own knowledge. This will help the Board plan future learning and training opportunities for Directors, influence future Director recruitment and identify when professional advice is needed.

The Board, having regard to the *Charity Governance Code* and in particular Principle 6 of the *Code* (Equality, Diversity & Inclusion), also intend to look at how they can enhance their approach to supporting this Principle in its own practice and governance. This will be a key consideration in the appointment of new Directors.

# Mr Willats' Charity

## TRUSTEES' REPORT (*continued*)

for the year ended 31 December 2023

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### BOARD DIRECTORS' INDUCTION AND TRAINING

New Directors undergo an induction scheme to brief them on all the work of the Charity and their legal obligations under both charity and company law. Directors are encouraged to attend appropriate external training events where these facilitate the undertaking of their role. In addition, Directors are kept up to date with charity related matters through the forwarding of regular relevant publications, reports and advice from the Charity's staff and professional contractors.

### RISK MANAGEMENT

The Board manages risk faced by The Willats Trust through our risk management framework, which is continually being reviewed and adapted to remain effective in the increasingly uncertain world around us. The Board regularly reviews principal risks to ensure they continue to represent the most significant risks to the Charity and ensure they are managed effectively.

#### Principal Risks

Risk	Mitigating Actions
Insufficient Income and Reserves for the Charity to achieve its strategic objectives	<ul style="list-style-type: none"><li>• Review of current investment portfolio planned for 2024.</li><li>• Investment policy developed.</li><li>• Investment policy defines the right blend of investment.</li><li>• Reserves policy developed.</li><li>• Targets set for rent collection, voids and arrears.</li></ul>
The Quality of the Charity's property portfolio declines as a result of the increasing costs of maintaining it.	<ul style="list-style-type: none"><li>• 10 year planned preventative programme (PPM) in place.</li><li>• Year 1 of PPM delivered in 2024.</li><li>• Properties requiring major repairs/ refurbishment identified and options appraisals carried out.</li></ul>
Failure to effectively manage the risks associated with ensuring the Charity's properties are compliant with Building Safety Regulations.	<ul style="list-style-type: none"><li>• Contractors in place for compliance work.</li><li>• Source and implement digital platform as compliance management tool.</li><li>• Monitoring regime in place.</li></ul>

### PAY POLICY FOR KEY MANAGEMENT STAFF

The Board considers that the operational leads - the Interim Director, the Property Manager, the Grants Administrator and the Finance Manager (post year-end) are the *Key Management Personnel* of the Charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis. Supplementary professional support is provided when required by contractors. The Board Directors give their time freely and no Board Director received remuneration in the year.

The pay for all staff is reviewed by the Board annually. The salaries of the employees may be increased in accordance with average salary increases nationally and those within the charity sector.

### RELATED PARTIES

None of the Board Directors receive remuneration from their work with the Charity. The Charity does repay expenses incurred by the Directors during the fulfilment of their role as Directors. In addition, the Charity provides some Directors with iPads or laptops to enable them to access the shared server. Further details of transactions with related parties can be found in note 12.

# Mr Willats' Charity

## STATEMENT OF THE CORPORATE TRUSTEE'S RESPONSIBILITIES

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The Board is 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 and Wales requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 charity will continue in business.

The Board is responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the Trust Deed. It is 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.

The Board is responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board on 18<sup>th</sup> June 2024.

Signed by order of the Board:



**Rev'd R Driver**  
**Chair of the Board**

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MR WILLATS' CHARITY

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## OPINION

We have audited the financial statements of Mr Willats' Charity for the year ended 31 December 2023 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 Charity's affairs as at 31 December 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## BASIS OF 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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.

## OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MR WILLATS' CHARITY (CONTINUED)

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### 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 Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### RESPONSIBILITIES OF THE TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the Trustees 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 Charity'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 charity or to cease operations, or have no realistic alternative but to do so.

### AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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 auditors' 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the Charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MR WILLATS' CHARITY  
(CONTINUED)

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AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Michael Strong (Senior Statutory Auditor)**  
**For and on behalf of Saffery LLP**  
Chartered Accountants and Statutory Auditors  
St Catherine's Court  
Berkeley Place  
Bristol  
BS8 1BQ

Date: 8 July 2024

Saffery LLP is eligible to act as an auditor under the terms of Section 1212 of the Companies Act 2006.

**Mr Willats' Charity**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
for the year ended 31 December 2023

	Note	Unrestricted Funds £	Endowment Funds £	Total 2023 £	Total 2022 £
<b>Income and endowments from:</b>					
Investment property income		1,364,651	-	1,364,651	1,322,006
Other investment income		40,888	-	40,888	8,598
<b>Total income</b>		<b>1,405,539</b>	<b>-</b>	<b>1,405,539</b>	<b>1,330,604</b>
<b>Expenditure on:</b>					
<i>Cost of raising funds:</i>					
Let property expenditure	2	680,360	-	680,360	712,024
Investment management fees	2	-	4,934	4,934	5,046
<i>Expenditure on charitable activities:</i>					
Grants for parish Guides	1,2	510,147	-	510,147	334,348
<b>Total expenditure</b>	<b>2</b>	<b>1,190,507</b>	<b>4,934</b>	<b>1,195,441</b>	<b>1,051,418</b>
Unrealised gains on revaluation of fixed assets	3	-	-	-	(306,300)
Unrealised gains on revaluation of investment properties	4	-	(50,000)	(50,000)	(3,557,500)
Net gains/(losses) on stock market investments	5	-	29,664	29,664	(56,687)
<b>Net income/(loss) on ordinary activities before transfers</b>		<b>215,032</b>	<b>(25,270)</b>	<b>189,762</b>	<b>(3,641,301)</b>
Transfer of funds	10	(26,296)	26,296	-	-
<b>Net income/(loss) on ordinary activities</b>		<b>188,736</b>	<b>1,026</b>	<b>189,762</b>	<b>(3,641,301)</b>
<i>Reconciliation of funds</i>					
<b>Funds brought forward</b>		<b>651,861</b>	<b>36,924,275</b>	<b>37,576,136</b>	<b>41,217,437</b>
<b>Funds carried forward</b>	<b>11</b>	<b>840,597</b>	<b>36,925,301</b>	<b>37,765,898</b>	<b>37,576,136</b>

The Charity has no recognised gains or losses other than the results for the year as set out above. All of the activities of the Charity are classed as continuing.

See note 15 for fund accounting comparative figures.

The notes on pages 16 to 29 form part of these financial statements.

# Mr Willats' Charity


## BALANCE SHEET

as at 31 December 2023

	Notes	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	3	160,455	169,446
Freehold investment property	4	36,329,796	36,353,500
Other investments	5	595,505	570,775
		<u>37,085,756</u>	<u>37,093,721</u>
<b>Current assets</b>			
Debtors	6	141,571	121,973
Cash at bank		1,510,948	1,209,657
		<u>1,652,519</u>	<u>1,331,630</u>
<b>Creditors: amounts falling due within one year</b>	7	<u>(668,335)</u>	<u>(703,256)</u>
<b>Net current assets</b>		984,184	628,374
<b>Creditors: amounts falling due after more than one year</b>	8	<u>(304,042)</u>	<u>(145,959)</u>
<b>Total net assets</b>		<u><u>37,765,898</u></u>	<u><u>37,576,136</u></u>
<b>Funds:</b>			
<b>Endowment funds</b>			
<b>Unrestricted funds</b>			
- General		644,226	651,861
- Designated: fixed assets		160,455	-
- Designated: early-end grants		35,916	-
	11	<u><u>37,765,898</u></u>	<u><u>37,576,136</u></u>

The notes on pages 16 to 29 form part of these financial statements.

The financial statements on pages 13 to 29 were approved and authorised for issue by the Board of Trustees on 18<sup>th</sup> June 2024 and signed on its behalf by:

  
Rev'd R Driver  
Chair of the Board

# Mr Willats' Charity

## CASH FLOW

as at 31 December 2023

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	Notes	2023 £	2022 £
<b>Net cash inflow from operating activities</b>	16	290,221	281,759
<b>Cash flows from investing activities:</b>			
Investment income received		40,888	8,597
<b>Cash flows from financing activities:</b>			
Expenditure on investment properties	4	(26,296)	-
Expenditure on tangible fixed assets	3	(3,522)	(4,214)
Loss on disposal of fixed assets	3	-	2,993
<b>Change in cash and cash equivalents in the year</b>		<u>301,291</u>	<u>289,135</u>
<b>Cash and cash equivalents brought forward</b>		1,209,657	920,522
<b>Cash and cash equivalents carried forward</b>		<u>1,510,948</u>	<u>1,209,657</u>

The notes on pages 16 to 29 form part of these financial statements

# Mr Willats' Charity

## ACCOUNTING POLICIES

for the year ended 31 December 2023

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### **Basis of accounting**

The financial statements have been prepared under the historical cost convention as modified for investment assets (see below) and in accordance with the Charities Act 2011, the Financial Reporting Standard 102 (FRS102) and the requirements of the Charities Statement of Recommended Practice (FRS102) based thereon.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

The Charity is a public benefit entity as defined under FRS102. There are no material uncertainties affecting the ability of the Charity to continue as a going concern.

### **Fund structure**

The Charity has a permanent endowment that was established by Mr Willats when he created the Charity through the gifting of a significant number of properties to the Charity. The endowment funds are invested in perpetuity and the majority of those funds remain invested in properties that formed part of the original portfolio gifted by Mr Willats. The income arising on the endowment fund can be used for the general activities of the Charity and are, therefore, unrestricted funds.

Unrestricted income funds comprise those funds which the Charity is free to use for any purpose in furtherance of its charitable objects. During the year, the Board Directors created two new designated funds – one which represents the value of the fixed asset funds as these funds do not form part of the free reserves of the Charity and one which represents the value of grants previously awarded but ended early to enable these funds to be earmarked and added as additional grant funding available for distribution in subsequent years, over and above budgeted grant expenditure.

### **Income**

All income is recognised once the Charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of the income receivable can be measured reliably.

Rental income is recognised in the month that it falls due. Unpaid rent is accounted for in debtors and any rents received in advance are accounted for as deferred income.

Dividend income is recognised when it has been received by the Charity's fund manager.

### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. All expenses are either apportioned or directly allocated to the applicable expenditure headings. For more information on this allocation refer to 'allocation of support costs' within the accounting policies.

Grants for parish Guides are payments made to third parties in the furtherance of the charitable objects of the Charity. The majority of the grants awarded are multi-year grants and these are recognised in full when the commitment is initially made. Although there are certain conditions that could arise which would forfeit a beneficiary's right to future grants, habitually, most beneficiaries meet all required criteria. For this reason, it was agreed that the Charity would recognise future grant commitments.

# Mr Willats' Charity

## ACCOUNTING POLICIES (*continued*)

for the year ended 31 December 2023

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### Financial instruments

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transactional price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payments, discounted at a market rate of interest if the impact is material.

### Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short-term deposits with a maturity date of 100 days or less.

### Allocation of support costs

Expenditure categorised as support costs are those costs that are not directly attributable to the applicable expenditure headings. They include the following costs:

- Audit and accountancy
- Staff costs
- Interim Director

All of these costs have been apportioned to the applicable expenditure headings based on an analysis of time spent by the individuals and the professional advisors in relation to those areas of work during the year.

Other costs relating to the running of the office and governance are categorised as administration costs and these are also apportioned to the applicable expenditure headings based on an overall assessment of the total time spent in relation to those areas of work by the key management personnel.

Full details of the allocation of costs can be found in Note 2.

### Costs of raising funds

The costs of raising funds consist of let property repairs and maintenance and professional fees in respect of the properties. It also includes investment management fees in respect of the investments held.

### Pension costs

The Charity complies with the Government's requirements in relation to auto-enrolment and contributes to a fund that meets all necessary criteria. During the year the Charity made contributions to this defined contribution money purchase scheme. The assets of the scheme were held separately from those of the Charity in independently administered funds. The pension charge in the accounts represents employer's contributions payable by the Charity to this pension fund amount to £2,537 (2022: £2,279). There was no outstanding contribution due at the year-end (2022: 371) in relation to this pension fund.

The Charity also makes contributions to private pension funds for certain employees. The pension charge within the accounts represents employer's contributions payable to these pension funds amounted to £928 (2022: £1,181). The total of the employee's and employer's pension liability in relation to this pension fund amounted to £3,557 (2022: £10,454) at the year end.

# Mr Willats' Charity

## ACCOUNTING POLICIES (*continued*)

for the year ended 31 December 2023

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### **Tangible fixed assets**

Freehold property is recorded at market value and regularly revalued for that purpose.

Other fixed assets are initially recorded at cost and written off over their estimated useful life. The depreciation rates applied were as follows:

- Office equipment – 20% straight line
- Furniture and fittings – 20% straight line
- Website – 25% straight line

Capital purchases in excess of £500 are treated as fixed assets.

### **Critical accounting judgements and key sources of estimation uncertainty**

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Board to have most significant effect on amounts recognised in the financial statements:

#### **Investment property valuations**

The Charity has a large property portfolio which is held for the purposes of rental income and, as such, is classified as investment properties. The fair value is assessed annually by the Board, further details on how the fair value is assessed is noted in note 4 of these accounts, 'Freehold Investment Properties'.

Freehold property is not depreciated because the Board have adopted a revaluation policy in relation to this asset. The property will be professionally revalued every 5 years and the value of the property will be adjusted as necessary following this revaluation. A full professional revaluation of the properties held by the Charity was conducted in July 2023. This was conducted by CSquared, Bath in accordance with RICS Valuation – Global Standards, effective 31 January 2022. The Trustees have agreed that between professional revaluations, interim desk-top revaluations would be undertaken either in-house or through consultation with an appropriately qualified professional individual. If there is some indication that impairment has occurred, the carrying value of the property would be reduced in accordance with that review. CSquared confirmed that on the assumption that there had been no significant refurbishments or impairments to the properties their value, as at the 31 December 2023, would remain the same as at the end of the previous year. The only revaluation adjustment relating to the investment portfolio processed in 2023 related to a property that the Charity agreed to sell during the year. Contracts for the sale of this property were exchanged in 2023 and the sale was completed in 2024. A downward revaluation adjustment of £50,000 was processed to reflect the known sale proceeds.

#### **Investment assets**

##### *Properties:*

The Charity's investment properties are carried forward at market value, as noted in the previous section. Any cost of work carried out on modernisation and improvements between valuations is capitalised at cost.

##### *Other investments:*

These are shown in the balance sheet at middle market value.

#### **Realised and unrealised gains and losses**

Gains and losses on the sale of property and investments in excess of the brought forward valuation are treated as realised gains or losses and are credited or debited to the Statement of Financial Activities.

Unrealised gains or losses arising on the revaluation of properties and investments are credited or debited to the Statement of Financial Activities.

**Mr Willats' Charity**  
**NOTES TO THE ACCOUNTS**  
for the year ended 31 December 2023

<b>1 Grants for parish Guides</b>	2023 £	2022 £
<b>Net grant cost of grants awarded in the year</b>	442,084	250,000
Cost allocation		
Salary costs: Clerk	8,714	17,552
Salary costs: other staff	25,355	21,453
Audit, Accountancy & valuation fees	10,998	9,725
Administration costs	22,996	35,618
	<hr/>	<hr/>
Total costs as stated in the SOFA (see note 2)	510,147	334,348
	<hr/> <hr/>	<hr/> <hr/>
<b>Reconciliation of grant commitments</b>		
New grants awarded for parish Guides in the year	478,000	377,500
Repayment of previously awarded grants to Guides (see note 11)	(35,916)	(127,500)
	<hr/>	<hr/>
	442,084	250,000
Commitment brought forward at the start of the year	457,792	497,083
Payments made to Guides during the year	(302,167)	(289,291)
	<hr/>	<hr/>
Commitments carried forward at the end of the year	597,709	457,792
	<hr/> <hr/>	<hr/> <hr/>
Split of commitments carried forward:		
Grants for parish Guides due within one year (see note 7)	293,667	311,833
Grants for parish Guides due in greater than one year (see note 8)	304,042	145,959
	<hr/>	<hr/>
	597,709	457,792
	<hr/> <hr/>	<hr/> <hr/>

All grants were paid to institutions who act as intermediary grant recipients on the basis that the grants paid were to support the employment costs of specific individuals acting as Guides whilst fulfilling their ministry.

**Mr Willats' Charity**  
**NOTES TO THE ACCOUNTS** *(continued)*  
for the year ended 31 December 2023

**2 Total expenditure**

**2023**

	Salary Costs: Interim Director £	Salary Costs: Other Staff £	Audit & Accounts Services £	Admin Costs £	Other Direct Costs £	Total £
Let property expenditure	8,714	47,089	20,424	42,708	561,425	680,360
Investment management fees	-	-	-	-	4,934	4,934
Grants for parish guides (see note 1)	8,714	25,355	10,998	22,996	442,084	510,147
	<u>17,428</u>	<u>72,444</u>	<u>31,422</u>	<u>65,704</u>	<u>1,008,443</u>	<u>1,195,441</u>

**2022**

	Salary Costs: Clerk £	Salary Costs: Other Staff £	Audit & Accounts Services £	Admin Costs £	Other Direct Costs £	Total £
Let property expenditure	17,552	39,841	18,061	66,148	570,422	712,024
Investment management fees	-	-	-	-	5,046	5,046
Grants for parish guides (see note 1)	17,552	21,453	9,725	35,618	250,000	334,348
	<u>35,104</u>	<u>61,294</u>	<u>27,786</u>	<u>101,766</u>	<u>825,468</u>	<u>1,051,418</u>

In analysing the total expenditure by the Charity some costs have been apportioned. The apportionments used are detailed below:

	Interim Director/Clerk %	Staff Costs %	Audit & Accountancy %	Admin Costs %
<b>2023</b>				
Let property	50	65	65	65
Grants for parish Guides	50	35	35	35
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
<b>2022</b>				
Let property	50	65	65	60
Grants for parish Guides	50	35	35	40
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

**Mr Willats' Charity**  
 NOTES TO THE ACCOUNTS *(continued)*  
 for the year ended 31 December 2023

**2 Total expenditure (continued)**

All remaining costs are shown under the heading 'other direct costs' and are charged directly to the three cost headings as appropriate.

Included within the net grant expenditure of £442,084 (2022: £250,000) are individual grants payable to Guides. All grants are given for the same charitable purpose which is to assist parishes in the churches of England, Wales and Ireland by contributing towards the salaries/expenses of lay pastoral workers.

Total governance costs were £55,622 (2022: £51,328). These costs have been split proportionately between let property costs and grants for parish Guides.

**Auditor's remuneration**

Included within audit and accountancy services expenditure above, amounts payable to the Charity's auditor are detailed as follows: audit fees for the current year of £15,060 (2022: £15,236); no other fees (2022: £nil) were paid to the auditors during the year.

**3 Tangible fixed assets**

**2023**

	Freehold Property £	Office Equipment £	Furniture & Fittings £	Website £	Total £
<b>Cost</b>					
At the start of the year	155,000	43,902	276,813	22,948	498,663
Additions	-	2,983	539	-	3,522
Disposals	-	(4,442)	-	-	(4,442)
As the end of the year	155,000	42,443	277,352	22,948	497,743
<b>Depreciation</b>					
At the start of the year	-	39,567	266,702	22,948	329,217
Charge for the year	-	2,403	10,110	-	12,513
Write back on disposal	-	(4,442)	-	-	(4,442)
As the end of the year	-	37,528	276,812	22,948	337,288
<b>Net book value</b>					
As the end of the year	155,000	4,915	540	-	160,455

# Mr Willats' Charity

## NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2023

### 3 Tangible fixed assets (continued)

2022

	Freehold Property £	Office Equipment £	Furniture & Fittings £	Website £	Total £
<b>Cost</b>					
At the start of the year	942,600	43,537	276,813	22,948	1,285,898
Additions	-	4,214	-	-	4,214
Disposals	-	(3,849)	-	-	(3,849)
Transfer to investment properties	(481,300)	-	-	-	(481,300)
Revaluation	(306,300)	-	-	-	(306,300)
As the end of the year	155,000	43,902	276,813	22,948	498,663
<b>Depreciation</b>					
At the start of the year	-	36,206	256,593	17,211	310,010
Charge for the year	-	4,217	10,109	5,737	20,063
Write back on disposal	-	(856)	-	-	(856)
As the end of the year	-	39,567	266,702	22,948	329,217
<b>Net book value</b>					
As the end of the year	155,000	4,335	10,111	-	169,446

During 2022 the Board decided to rent out one of their properties that had previously been used by the charity. The brought forward market value of this space had been estimated as £481,300 so this value was transferred out of the freehold property and added to investment properties within the fixed assets, reducing the total value of office space being used by the Charity to £461,300, before recognising the revaluation.

The Charity's investment properties are held at market value. The year-end valuations have been arrived at on the basis of a valuation undertaken by CSquared in July 2023. The valuation was made on an open market basis by reference to market evidence of transaction prices for similar properties, and was carried out in line with the Charity's 5 year property revaluation policy.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the carrying amounts would have been approximately £395,000 (2022 - £395,000).

# Mr Willats' Charity

NOTES TO THE ACCOUNTS *(continued)*  
for the year ended 31 December 2023

## 4 Freehold investment properties

### 2023

	Commercial £	Residential £	Total £
Valuation at the start of the year	4,603,500	31,750,000	36,353,500
Improvements at cost during year	-	26,296	26,296
Revaluation of property during year	-	(50,000)	(50,000)
	<hr/>	<hr/>	<hr/>
Valuation at the end of the year	4,603,500	31,726,296	36,329,796
	<hr/>	<hr/>	<hr/>

### 2022

	Commercial £	Residential £	Total £
Valuation at the start of the year	3,760,000	35,669,700	39,429,700
Improvements at cost during year	-	-	-
Transfer from tangible fixed assets	-	481,300	481,300
Revaluation of property during year	843,500	(4,401,000)	(3,557,500)
	<hr/>	<hr/>	<hr/>
Valuation at the end of the year	4,603,500	31,750,000	36,353,500
	<hr/>	<hr/>	<hr/>

During 2022 the Board decided to let one of their properties that had previously been used by the Charity. The brought forward market value of this property had been estimated as £481,300 so this value has been transferred out of the freehold property fixed assets and added to investment properties, reducing the total value of office space now being used by the Charity to £461,300, before recognising the revaluation adjustment.

The Charity's investment properties are held at market value. The year-end valuations have been arrived at on the basis of a valuation undertaken by CSquared in July 2023. The valuation was made on an open market basis by reference to market evidence of transaction prices for similar properties. In line with the Charity's 5 year property revaluation policy, the Trustees asked CSquared to provide them with an informal revaluation of the investment properties at the end of the year which confirmed that there was no significant change in the carrying values of the properties. The only revaluation adjustment relating to the investment portfolio processed in 2023 related to a property that the Charity agreed to sell during the year. Contracts for the sale of this property were exchanged in 2023 and the sale was completed in 2024. A downward revaluation adjustment of £50,000 was processed to reflect the known sale proceeds.

The Board estimates that the market value of the freehold investment properties at 31 December 2023 is £36,329,796 (2022: £36,353,500).

**Mr Willats' Charity**  
**NOTES TO THE ACCOUNTS** *(continued)*  
for the year ended 31 December 2023

<b>5 Other investments</b>	2023	2022
	£	£
Market value at the start of the year	570,775	632,508
Portfolio fees	(4,934)	(5,046)
Net gain/(loss)	29,664	(56,687)
	<hr/>	<hr/>
Market value at the end of the year	595,505	570,775
	<hr/>	<hr/>
Historical cost at the end of the year	532,592	494,356
	<hr/>	<hr/>
The investments are held as follows:	2023	2022
	£	£
Equities and convertible stocks	420,225	416,248
Gilts and other fixed interest stocks	151,235	132,349
Cash and cash equivalents	24,045	22,178
	<hr/>	<hr/>
	595,505	570,775
	<hr/>	<hr/>
Analysis by geographical sector	2023	2022
	£	£
Investment assets in the UK	103,701	105,806
Investment assets outside of the UK	491,804	464,969
	<hr/>	<hr/>
	595,505	570,775
	<hr/>	<hr/>
<b>6 Debtors</b>	2023	2022
	£	£
Rents receivable	30,916	20,067
Other debtors	1,273	1,737
Prepayments	109,382	100,169
	<hr/>	<hr/>
	141,571	121,973
	<hr/>	<hr/>

# Mr Willats' Charity

NOTES TO THE ACCOUNTS *(continued)*  
for the year ended 31 December 2023

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<b>7</b>	<b>Creditors: amounts falling due within one year</b>	2023	2022
		£	£
	Rents invoiced in advance	76,985	40,720
	Rents received in advance	4,160	7,890
	Trade creditors	134,210	133,618
	Tax and social security	2,313	68
	Accruals	17,261	64,952
	Other creditors	139,739	144,175
	Grants due to Parish Guides	293,667	311,833
		<hr/>	<hr/>
		668,335	703,256
		<hr/>	<hr/>
<b>8</b>	<b>Creditors: amounts falling due after more than one year</b>	2023	2022
		£	£
	Grants due to Parish Guides	304,042	145,959
		<hr/>	<hr/>
<b>9</b>	<b>Staff costs</b>	2023	2022
		£	£
	Salaries	79,783	74,290
	Compensation for loss of office	-	10,000
	Employer's NI	2,325	3,222
	Pension contributions	3,464	3,657
		<hr/>	<hr/>
		85,572	91,169
		<hr/>	<hr/>
	Average weekly number of employees during the year, calculated on an average headcount basis	3	3
		<hr/>	<hr/>

No individual employed by the charity received remuneration in excess of £60,000 during the current or previous year.

The Key Management personnel of the Charity, as previously stated in the Trustees' Report, comprise of the Directors of the Corporate Trustee, the Interim Director (appointed August 2023), the Property Manager and the Grants Administrator. The total remuneration paid by the Charity to the Key Management personnel was £73,750 (2022: £91,169).

Mr Willats' Charity  
NOTES TO THE ACCOUNTS (continued)  
for the year ended 31 December 2023

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10 Transfers

The Charity holds significant endowment funds, the majority of which are invested in property. The Board believes that in order to safeguard the asset value and future income streams of the property portfolio it is necessary to maintain and improve the endowment properties. All endowment property improvements are added to the brought forward value of the property portfolio. The endowment funds do not receive any income and, therefore, only hold cash reserves if endowment assets have been sold, as such, the endowment fund does not usually hold sufficient cash reserves to finance the necessary property improvements. Historically, where the endowment funds have not been able to finance the full cost of property improvements, the shortfall is met by a fund transfer from the unrestricted funds. This has the immediate effect of reducing the unrestricted funds' reserves but the Board believes that the preservation of the property portfolio has resulted in higher future income generation for that fund.

In 2019 the total value of improvements to the property portfolio was £481,135. These costs were partly financed through the unspent cash reserves held by the endowment fund and partly through cash held in the unrestricted fund. At that point in time, the Board considered that due to insufficient free reserves within the unrestricted fund, the Charity was not in a position to transfer funds from unrestricted funds to endowment funds. Instead, it was agreed that the unrestricted funds would lend the cash shortfall to the endowment funds until such time as the endowment fund was in a position to repay the loan or the unrestricted funds were in a position to write off the loan. In 2022, the Trustees agreed that the Charity held sufficient free reserves within unrestricted funds to write off this loan.

In 2023 the Charity made improvements to the endowment properties amounting to £26,296. The endowment funds did not hold any cash reserves in that year and the Board agreed to transfer this sum from unrestricted funds to endowment funds.

The movements relating to the inter-fund loan are detailed below:

	2023	2022
	£	£
Transfer of unrestricted funds to endowment funds to write off the interfund loan	-	167,998
Transfer of unrestricted funds to endowment funds in relation to improvements to properties held by the endowment funds	26,296	-

**Mr Willats' Charity**  
 NOTES TO THE ACCOUNTS *(continued)*  
 for the year ended 31 December 2023

**11 Analysis of net assets between funds**

**2023**

	Freehold Investment Property £	Other Investments £	Fixed Assets £	Net Assets/ (Liabilities) £	Total £
Endowment funds	36,329,796	595,505	-	-	36,925,301
Unrestricted funds					
- General	-	-	-	644,226	644,226
- Designated: fixed assets	-	-	160,455	-	160,455
- Designated: early-end grants	-	-	-	35,916	35,916
	<u>36,329,796</u>	<u>595,505</u>	<u>160,455</u>	<u>680,142</u>	<u>37,765,898</u>

**2022**

	Freehold Investment Property £	Other Investments £	Fixed Assets £	Net Assets/ (Liabilities) £	Total £
Endowment funds	36,353,500	570,775	-	-	36,924,275
Unrestricted funds	-	-	169,446	482,415	651,861
	<u>36,353,500</u>	<u>570,775</u>	<u>169,446</u>	<u>482,415</u>	<u>37,576,136</u>

During the year the Board agreed to create a designated fund to represent grants previously awarded but written back in the year due to the early ending of those grants. The purpose of this fund is to ring-fence funds held in relation to the early ending of awarded grants and for those funds to be awarded as new grants, over and above the current year's budget grant award, in subsequent years. The Board also created a designated fund to reflect the value of the fixed assets, as these funds do not form part of the free reserves of the Charity.

**12 Related party transactions and Board Directors' expenses and remuneration**

One Board member is also a Trustee of St John's Charity and during the year the Charity paid £1,444 to St John's Charity for room hire and refreshments. No other related party transactions were entered into during the current or previous year.

During the year, no Board Director received any remuneration (2022: £nil) but expenses amounting to £3,285 (2022: £760) were claimed by the Trustees in relation to travel and accommodation costs.

**13 Capital commitments**

At the year end the Charity had committed to spending in relation to improvements on 34 Park Street, being one of the properties held within the endowment property investment portfolio. The value of this commitment as at the year end was £13,148 (2022: £nil).

**Mr Willats' Charity**  
**NOTES TO THE ACCOUNTS** *(continued)*  
for the year ended 31 December 2023

**14 Post balance sheet events**

At the year end the Charity had exchanged contracts to sell one of the properties held within its property portfolio, 5 St James' Square. This sale was completed in 2024. The carrying value of the property was previously held at £2,650,000 but the sale price on completion was £2,600,000 so a downward adjustment of £50,000 was processed within the accounts in 2023 to reflect the agreed selling price of the property. The net proceeds, after costs, received by the Charity in March 2024 were £2,543,890.

**15 Fund accounting comparative figures**

**2022**

	Unrestricted Funds £	Endowment Funds £	Total 2022 £
<b>Income and endowments from:</b>			
Investment property income	1,322,006	-	1,322,006
Other investment income	8,598	-	8,598
	-----	-----	-----
<b>Total income</b>	<b>1,330,604</b>	<b>-</b>	<b>1,330,604</b>
	-----	-----	-----
<b>Expenditure on:</b>			
<i>Cost of raising funds:</i>			
Let property expenditure	712,024	-	712,024
Investment management fees	-	5,046	5,046
	-----	-----	-----
<i>Expenditure on charitable activities:</i>			
Grants for parish Guides	334,348	-	334,348
	-----	-----	-----
<b>Total expenditure</b>	<b>1,046,372</b>	<b>5,046</b>	<b>1,051,418</b>
	-----	-----	-----
Unrealised gains on revaluation of fixed assets	(306,300)	-	(306,300)
Unrealised gains on revaluation of investment properties	-	(3,557,500)	(3,557,500)
Net gains on stock market investments	-	(56,687)	(56,687)
	-----	-----	-----
<b>Net income on ordinary activities</b>	<b>(22,068)</b>	<b>(3,619,233)</b>	<b>(3,641,301)</b>
Transfer of funds	(167,998)	167,998	-
	-----	-----	-----
<b>Net income/(loss) on ordinary activities</b>	<b>(190,066)</b>	<b>(3,451,235)</b>	<b>(3,641,301)</b>
<i>Reconciliation of funds</i>			
<b>Funds brought forward</b>	<b>841,927</b>	<b>40,375,510</b>	<b>41,217,437</b>
	-----	-----	-----
<b>Funds carried forward</b>	<b>651,861</b>	<b>36,924,275</b>	<b>37,576,136</b>
	=====	=====	=====

# Mr Willats' Charity

## NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2023

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### 16 Reconciliation of net movements in funds to net cash generated from operating activities

	2023	2022
	£	£
<b>Continuing activities</b>		
Net movement in funds	189,762	(3,641,301)
Deduct investment income	(40,888)	(8,597)
Add back depreciation of tangible fixed assets	12,513	20,063
(Deduct gains)/add back losses on investments	(29,664)	56,687
Add back investment management fees	4,934	5,046
Deduct increase in debtors	(19,598)	(15,406)
Add back increase in creditors	123,162	1,467
Unrealised loss/(gain) on revaluations of investment properties	50,000	3,557,500
Unrealised loss/(gain) on revaluation of property held in fixed assets	-	306,300
Net cash inflow from operating activities	<u>290,221</u>	<u>281,759</u>

**MR WILLATS' CHARITY**

England & Wales - Charity number 202269

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# Accounts

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THE  
WILLATS  
TRUST

REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2022

Charity no: 202269

# Mr Willats' Charity

## LEGAL AND ADMINISTRATIVE INFORMATION

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### **Governing document and constitution**

The Charity was set up under an Indenture dated 13 November 1858 by Mr William Willats. Mr Willats' Corporate Trustee Ltd (MWCTL) is the sole Trustee of Mr Willats' Charity. The Charity has the working title of 'The Willats Trust'. The individuals that served as Directors to the Corporate Trustee during the year are detailed below:

### **Directors of the Corporate Trustee**

Mr R Brown (Removed by Resolution of the Board 21 September 2022)

The Rev'd. R Driver (Appointed as acting Vice Chair 13 February 2022)

Mr T Friend

The Rev'd. Dr M Ifode-Blease (Appointed as acting Chair 13 February 2022)

Mr P LeRoy

Mr P V Lindon (Resigned 31 January 2022)

All appointments and resignations during the year or up to the time of the signing of these accounts have been noted.

### **Clerk and Receiver to the Corporate Trustee and its Directors**

Mr Q T S Elston (Resigned 8 September 2022)

### **Interim Director**

Mrs A Anketell (Appointed 7 August 2023)

### **Property Manager**

Mrs E L Palfreyman

### **Grants Administrator**

The Rev'd. Méri Schoeman

### **Administrator**

Mrs Sarah Heavens (Maternity cover provided from 10 January 2023 to 14 October 2023)

### **Principal office**

Basement 19 Rivers Street  
Bath BA1 0AQ

### **Website**

[www.willatstrust.org](http://www.willatstrust.org)

### **Bankers**

C Hoare & Co  
37 Fleet Street  
London EC4P 4DQ

### **Solicitors**

Thrings  
2 Queen Square  
Bath BA1 2HQ

National Westminster Bank plc  
39 Milsom Street  
Bath BA1 1DS

Royds Withy King  
5-6 Northumberland Buildings  
Queen Square  
Bath BA1 2JE

### **Auditors**

Saffery LLP  
St Catherine's Court  
Berkeley Place  
Bristol  
BS8 1BQ

### **Investment managers**

Cazenove Capital  
1 London Wall Place  
London EC2Y 5AU

# Mr Willats' Charity

## TRUSTEES' REPORT

for the year ended 31 December 2022

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### OBJECTIVES AND ACTIVITIES

Mr Willats' Charity was established in 1858 by its Founder, William Willats, to support Christian workers to share the good news about Jesus Christ in some of the most marginalised communities in the UK. The Charity achieves this by contributing towards the salary of lay pastoral workers ('Guides') in the form of grants. To fund the objectives of the Charity, the Founder created a sizable endowment by bequeathing a significant property portfolio to the Charity. This is managed by the Charity and the surpluses generated through investment income are used to fund the grants given to 'Guides'. 'Guides' may apply for funding for a grant for a three-year appointment. There are two application cycles per year, in the spring and the autumn.

### ORGANISATIONAL STRUCTURE

The Charity is governed by a sole 'Corporate Trustee' entitled Mr Willats' Corporate Trustee Limited (MWCTL). The Directors of the Corporate Trustee are the Trustees of the Charity.

The Board of Directors ("the Board") has delegated the day-to-day running of the Charity to its Clerk & Receiver ("Clerk"), to the Property Manager and to the Grants Administrator, all of whom are employees of the Charity. They are supported in their roles by specialist professional contractors who provide services to the Charity as and when they are needed. The Board meets regularly to consider the business of the Charity including the consideration of applications for grants and to receive reports from the Guides, the Clerk & Receiver, the Property Manager, the Grants Administrator and the Charity's professional contractors. Following the resignation of the Clerk on 8 September 2022, the Board has appointed a new Interim Director with effect from 7 August 2023 and will be reviewing the organisational structure to ensure a smooth transition to a new operational lead.

### APPOINTMENT OF DIRECTORS TO THE CORPORATE TRUSTEE

The Directors who have served during the year, and since the year end, are set out on page 1. Directors are appointed by the existing Board.

### ACHIEVEMENTS AND PERFORMANCE

#### **The day-to-day operations of the Charity**

#### **The Charity's Grant Making Activities**

The Board sees strategic partnerships with organisations wishing to appoint people to undertake work that fulfils the Founder's intentions, albeit in a more modern context, as being key to ensuring that the Charity makes the most effective use of its grants. Thus, it will continue to seek such partnerships.

During the year, the Charity supported a total of 62 Guides working across the country. The work of these guides focusses on bringing the Good News of the Gospel to communities with little or no experience of or interaction with the Christian faith. We receive progress reports from guides bi-annually and also speak to our partner organisations about their circumstances. Guides report on the number of people they helped, activities delivered and beneficiary outcomes. They also provide Beneficiary Case Studies. These reports provide valuable information on issues our Guides are facing and on progress of work supported by Grants. Through this information we can also identify some consistent emerging themes. Both the existing work of the Guides and new applications highlight the increasing numbers of people and children in need. The pandemic and the cost-of-living crisis has compounded pre-existing trends of deprivation.

The Grants Administrator conducted remote visits to all guides during 2022. These visits are very much valued by Guides and provide opportunity to engage, connect, and share stories. Each Guide is also given individual feedback on the progress reports they submit throughout the year.

This year the Charity awarded a total of 18 Grants. The total amount awarded to Guides in 2022 was £250,000 (2021: £313,326) See note 1 of the accounts for more details. Of these applications, 12 were from organisations the Charity has already worked with. Grants were given to 6 new organisations with whom the Charity has not previously supported.

# Mr Willats' Charity

## TRUSTEES' REPORT (*continued*)

for the year ended 31 December 2022

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### **The day-to-day operations of the Charity (continued)**

#### **The Charity's Grant Making Activities (continued)**

At the end of the year the Grants Administrator took maternity leave. A maternity cover was appointed in 2023 to maintain contact with the Guides and ensure a smooth process for the application process. The Board received reports from its Guides, gaining insights into the work that the Charity supports. In addition, the information gathered will help the Board in formulating any future grant making strategy.

A review of the Charity's Grant giving process was undertaken during the year. A survey questionnaire was sent to all Guides regarding the application process. The information collected in this survey has given the Charity some helpful and valuable insight into areas of improvement both in terms of the application process and also the building of relationships with our guides and partner organisations.

#### **The Charity's Properties**

As in the previous year, the Board sets a budget at the start of the year with the intention of ensuring that the unrestricted funds maximise income from investments and minimise its direct and indirect costs. The Board is pleased to report that the Charity's investment income, both from properties and other investments, met the budgeted expectation with income of £1,330,604 achieved in the year (2021: £1,277,412).

The Charity owns a number of substantial Georgian listed properties in Bath, a UNESCO World Heritage City. The properties continue to provide a healthy income for the Charity to support its 'Guides', the Charity's primary beneficiaries. Given the geographical location of the properties, they require considerate, careful and sympathetic planned maintenance and refurbishment. There remain some residential properties that are in need of refurbishment and modernisation before they will be in a position to be let at their full market rent, but progress continues to reduce their number. In addition, a few of the residential properties continue to be let to 'Protected Tenants' who enjoy a high degree of statutory protection and a restriction upon the rent that can be levied. The Board expects that over the coming years the number of such tenants will continue to decline.

When considering the need for and any plans for refurbishment of a property, the Board will base its decisions upon information relating to the current market value, anticipated costs of refurbishment and rental income arising thereafter of each of the relevant properties, in essence, the return on investment. The Board is well-served by professional advice in this regard and plan to continue to review the Charity's existing properties as and when necessary and possible with a view to maximising the Charity's rental income and grant expenditure.

The letting and rent reviews of the Charity's residential properties have been handled by the Trustees' Property Manager, with additional assessments conducted when required or advised to ensure that properties are let at the market rate. The properties are advertised on the Charity's web site and through external letting web sites. This has proved very successful. The Trustees are pleased to report that the vacancy rate and turnover periods are very low. Moreover, the Charity has many repeat tenants. Providentially and through the good stewardship of the Board and the Charity's staff, the Charity has a reputation of being a good landlord. Recommendations are often made by current and former tenants which results in many of the Charity's properties being let through word-of-mouth.

Achievements during 2022 include:

- The Charity has 20 student properties let to the Universities and Norland Nannies College. During 2022 lettings were agreed for all properties for the next academic year 2023/24;
- During the year there were a number of re-lets made including to some of the Charity's longer-term tenants. This has allowed for rents to be adjusted in these units to market value;
- In 2022 Fire Risk Assessments were undertaken in all of our Residential properties with 100% meeting requirements;
- The Charity continues to receive positive feedback from tenants on its customer service and repair response times.

# Mr Willats' Charity

## TRUSTEES' REPORT (*continued*)

### for the year ended 31 December 2022

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#### FUTURE PLANS

The focus of the Charity in 2023 will be two-fold: to ensure stable and effective operational leadership and to begin a strategic review to ensure that the Charity continues to meet its objectives and reach the maximum number of beneficiaries. This will include the appointment of a new Interim Director, following the resignation of the Clerk on 8 September 2022.

A review of our grant strategy will begin in late 2023. This review will include implementing learning from feedback on the application process. It will also include a focus on geography, grant award amounts and criteria for awards. The Charity also intends to review how it begins to work more strategically with its partner organisations.

A full valuation of our property portfolio took place in 2023, alongside a comprehensive stock condition survey. The information from these reviews will enable the charity to develop an investment strategy. Any new strategy will encompass identification of properties for disposal, the appropriate investment in remaining properties and diversification of the Charity's investment portfolio. The core objectives for any new Strategy will be the long-term financial sustainability of the Charity and the impact it can make through the grants it awards.

The Recruitment of an Interim Director took place in 2023, in order to strengthen the leadership of the Charity. A review of the Charity's operating model and structure are also planned this year.

In line with the above work, recruitment for Trustees will continue in 2023 with a review of Governance structures and arrangements planned for later in the year. This will include, but is not limited to, a Trustee whose focus will be property and another to oversee the area of finance.

#### FINANCIAL REVIEW

The Charity's work is entirely reliant on income and investment returns from its endowment fund which is, predominantly, invested in residential properties in Bath.

The Charity sustained an unrestricted fund loss of £22,068 (2021: £143,574 surplus) in the year, before the transfer funds amounting to £167,998 to the endowment fund to clear a historic inter-fund balance. This loss has arisen follow a downward revaluation of £306,300 in relation to the office property held by the Charity within its fixed assets. Before accounting for this revaluation adjustment, a surplus of £284,232 had been achieved by the Charity on its 'ordinary activities' and the Trustees are content with this result as it exceed the budgeted surplus anticipated at the start of the year.

The unrestricted funds brought forward at the start of the year were £841,927 (2021: £698,353) and the deficit of £190,066 (2021: £143,574 surplus) for the year was deducted from this figure giving a total unrestricted fund value of £651,861 (2021: £841,927) carried forward at the year end.

The endowment funds brought forward at the start of the year were £40,375,510 (2021: £39,398,966). During the year the endowment fund made a deficit of £3,451,235, (2021: £976,544 surplus). The deficit sustained this year arose as a result of the fall in the value stock market investments and, more significantly, the fall in investment properties held by the endowment fund following a whole property portfolio valuation performed by CSquared of 82 Walcot Street, Bath. More information relating to this valuation can be found in note 4 of these accounts. This deficit was deducted from the brought forward funds to give a total endowment fund of £36,924,275 (2021: £40,375,510) carried forward at the year end.

The total reserves carried forward at the year-end amounted to £37,576,136 (2021: £41,217,437).

#### INVESTMENT POLICY AND PERFORMANCE

The investment powers of the Board are governed by the Trust Deed, as amended by relevant legislation. The Charity holds a small stock market investment portfolio, and the Board seeks to obtain, through its investment manager, a balance in income return and capital growth from the Charity's quoted stocks and shares. During the year the stock portfolio was managed by Cazenove.

In light of benchmark indicators, the Board is satisfied with the performance of the stock portfolio during the year which resulted

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# Mr Willats' Charity

## TRUSTEES' REPORT (*continued*)

### for the year ended 31 December 2022

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in the portfolio achieving realised and unrealised losses of £56,687 (2021: gain of £36,889). Dividend income was in line with expectations. See note 5 for more details.

The majority of the Charity's investment assets are held as freehold property. In previous years, one fifth of this property portfolio was professionally revalued on an annual basis and the property values carried forward would then be adjusted, as necessary, to reflect these valuations. These valuations were undertaken by Carter Jonas, the last of which was at the end of December 2017. The Board then agreed that a full professional revaluation of all the properties would only need to be undertaken every 5 years and the value of the property would be adjusted, as necessary, following this revaluation. As such, a full, revaluation of the properties was carried out in July 2023. This was conducted by CSquared, Bath in accordance with RICS Valuation – Global Standards, effective 31 January 2022.

#### INVESTMENT POLICY AND PERFORMANCE (*continued*)

As a result of this revaluation, the value of the property investments held by the Charity fell by £3,557,500. At the year end, the value of investment properties held by the Charity were £36,353,500 and the Board are satisfied that this represents a true reflection of the current market value of its property investment portfolio at the year end. The Board are confident that freehold property values will continue to rise in the long-term future and, therefore, continue to be a worthwhile investment for the Charity. The Board continues to seek to maintain and improve the Charity's property portfolio through a planned program of repair and refurbishment to ensure that it maximises the income potential of the assets held.

#### RESERVES POLICY

The Trustees have agreed that they will aim to maintain free unrestricted funds at a level that equates to approximately three months of its expenditure. This decision was reached on the basis that this level of reserves will provide sufficient funds for the Charity to meet its obligations to staff, contractors and beneficiaries at any given point in time. The Trustees consider that this level of free reserves is sufficient given the regular and reliable income receivable from the rental of let properties.

Based on the expenditure in 2022, costs for three months amount to approximately £262k. As previously stated, the balance held in unrestricted funds at the end of the year is £651,861 and the fixed assets held by unrestricted funds are £169,446 (see note 11), therefore, the Charity holds free reserves of £482,415 which exceeds the target set out in its reserves policy. However, the Board is comfortable holding excess funds in the unrestricted reserves of the Charity as they are aware that some of the property maintenance planned for previous years is still outstanding and, as a result, the expenditure in future years may exceed income and this financing will be met by a draw down against the brought forward reserves.

Previously there was an inter-fund loan account between the unrestricted and endowment funds (see note 10 for further details) which arose in prior years when the Charity used unrestricted funds to finance capital improvements to the property investment portfolio which, had the funds been transferred from the unrestricted funds to the endowment funds, would have taken the unrestricted funds of the Charity below an acceptable level. As the free reserves of the Charity have increased sufficiently, the Trustees considered that they were able to process the transfer of funds amounting to £167,998 from the unrestricted funds to the endowment funds to clear the inter-fund loan at the end of 2022.

#### PUBLIC BENEFIT

The Trustees are aware of the provisions of the Charities Act 2011 concerning public benefit, the guidance published by the Charity Commission on this subject and the obligation to report on ways in which they believe Mr Willats' Charity meets the public benefit requirements established by the Act. Fuller details of the Charity's objectives and activities undertaken in support of these objectives will be found in other sections of this report. The Board believes that the Charity's grant distributions and associated activities benefit society through the funding of costs relating to Guides who, in order to comply to the grant criteria, must meet a specified amount of direct contact time with those the Charity seeks to benefit who are the 'lowest and poorest members of society'. In more modern parlance, this means that Guides work in the most deprived areas of the UK, supporting underserved communities. The Charity uses the Index of Multiple Deprivation (IMD) as part of its criteria for awarding grants to Guides. Through their work, the Guides are not only preaching the Gospel but also providing support and assistance to those most in need.

# Mr Willats' Charity

## TRUSTEES' REPORT (*continued*)

for the year ended 31 December 2022

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### GRANT MAKING POLICY

Whilst the expectation of the Charity is that the predominance of the Guide's work must be with their 'client group', the Board recognises that today the duties of a lay worker in an organisation will often include some administrative work. The Board expects, however, that if appointed as a Guide, this aspect of their work must be minimal.

All grants are awarded subject to finances permitting and the Board reserves the right to withdraw a grant at any time without notice. All new grants are awarded for a maximum period of three years. At the expiry of the three years, the organisation who has sponsored the application may not make a further application in respect of the same person, within 12 months of the previous grant expiring.

All grants are reviewed by the Board twice a year to monitor whether each Guide continues to fulfil the requirements of the Charity. Applications for grants will only be considered by the Directors if they are in receipt of correctly completed application forms.

There has been a continued emphasis on making grants to organisations (who are registered charities) who minister to the "lowest and poorest members of society". The Board continues to keep under review the Charity's grant making activities and, in this regard, see additional comments made by the Board under the heading 'Future Plans'.

### GOVERNANCE

The Board has identified the need to appoint additional Directors to broaden the skills and expertise present on the Board. This process is already underway and will continue into 2023 with a view to appointing at least two new Trustees.

The Trustees, having regard to the *Charity Governance Code* and in particular Principle 6 of the *Code* (Equality, Diversity & Inclusion), also intend to look at how they can enhance their approach to supporting this Principle in its own practice and governance. This will be a key consideration in the appointment of new Directors.

### DIRECTORS' INDUCTION AND TRAINING

New Directors undergo an induction scheme to brief them on all the work of the Charity and their legal obligations under both charity and company law. Directors are encouraged to attend appropriate external training events where these facilitate the undertaking of their role. In addition, Directors are kept up to date with charity related matters through the forwarding of regular relevant publications, reports and advice from the Charity's staff and professional contractors.

# Mr Willats' Charity

TRUSTEES' REPORT (*continued*)

for the year ended 31 December 2022

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## RISK MANAGEMENT

The Board considers that the principal risks faced by the Charity relate to its obligations to its tenants and to carrying out the aims of its Founder. The Board will review its risk register and related policies annually, reflecting any statutory updates and mitigating actions in line with best practice.

### Principal Risks

Risk	Mitigating Actions
Organisational Change	With a number of key staff changes during the year the Trustees have focused on stability and quality of services by close monitoring of Operations
Economic Environment	With the rising cost of living the work of the Charity has been focused on areas of significant deprivation. Additional support has been provided to Guides
Health and Safety of Tenants	The Charity employs the services of professional surveyors and advisors to ensure that the Charity is compliant with all relevant legislation and that the property portfolio is maintained to a high standard

The Charity's surveyors, the Charity's Property Manager and the Board meet regularly to discuss the property portfolio, review issues arising and agree action plans. The Charity's staff and contractors seek to ensure that the Charity is compliant with all relevant landlord legislation.

## PAY POLICY FOR KEY MANAGEMENT STAFF

The Directors consider that the Board, the operation lead (replacement for the Clerk), the Interim Director (post year-end), the Property Manager and the Grants Administrator are the *Key Management Personnel* of the Charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis. Supplementary professional support is provided when required by contractors. The Directors give their time freely and no Director received remuneration in the year.

The pay for the Clerk (up until 8 September 2022), Property Manager and Grants Administrator are reviewed by the Board annually. The salaries of the employees may be increased in accordance with average salary increases nationally and those within the charity sector.

## RELATED PARTIES

None of the Directors receive remuneration from their work with the Charity. The Charity does repay expenses incurred by the Directors during the fulfilment of their role as Directors. In addition, the Charity provides some Directors with iPads or laptops to enable the Directors to access the shared server. The Board reviewed its administrative costs in 2022 and ceased its use of online portals *Director Point* and *Wizehive*, the latter being used for grant administration. Further details connected to transactions with related parties can be found in note 12.

# Mr Willats' Charity

## STATEMENT OF THE CORPORATE TRUSTEE'S RESPONSIBILITIES

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The Board is 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 and Wales requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 charity will continue in business.

The Board are responsible for keeping sufficient accounting records that 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 Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the Trust Deed. It is 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.

The Board is responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board on 18th October 2023

Signed by order of the Board:

*Roger Driver*

**Rev'd R Driver**  
**Trustee**

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MR WILLATS' CHARITY

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## OPINION

We have audited the financial statements of Mr Willats' Charity for the year ended 31 December 2022 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 Charity's affairs as at 31 December 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## BASIS OF 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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.

## OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MR WILLATS' CHARITY (CONTINUED)

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### 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 Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### RESPONSIBILITIES OF THE TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the Trustees 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 Charity'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 charity or to cease operations, or have no realistic alternative but to do so.

### AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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 auditors' 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the Charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MR WILLATS' CHARITY (CONTINUED)

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## AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

### Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Michael Strong*

### **Michael Strong (Senior Statutory Auditor)**

#### **For and on behalf of Saffery LLP**

Chartered Accountants and Statutory Auditors

St Catherine's Court

Berkeley Place

Bristol

BS8 1BQ

Date: 24<sup>th</sup> October 2023

Saffery LLP is eligible to act as an auditor under the terms of Section 1212 of the Companies Act 2006.

**Mr Willats' Charity**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
for the year ended 31 December 2022

	Note	Unrestricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
<b>Income and endowments from:</b>					
Investment property income		1,322,006	-	1,322,006	1,271,403
Other investment income		8,598	-	8,598	6,009
<b>Total income</b>		<b>1,330,604</b>	<b>-</b>	<b>1,330,604</b>	<b>1,277,412</b>
<b>Expenditure on:</b>					
<i>Cost of raising funds:</i>					
Let property expenditure	2	712,024	-	712,024	736,299
Investment management fees	2	-	5,046	5,046	5,345
<i>Expenditure on charitable activities:</i>					
Grants for parish Guides	1,2	334,348	-	334,348	396,839
<b>Total expenditure</b>	<b>2</b>	<b>1,046,372</b>	<b>5,046</b>	<b>1,051,418</b>	<b>1,138,483</b>
Unrealised gains on revaluation of fixed assets	3	(306,300)	-	(306,300)	(1,400)
Unrealised gains on revaluation of investment properties	4	-	(3,557,500)	(3,557,500)	945,700
Net gains/(losses) on stock market investments	5	-	(56,687)	(56,687)	36,889
<b>Net income/(loss) on ordinary activities before transfers</b>		<b>(22,068)</b>	<b>(3,619,233)</b>	<b>(3,641,301)</b>	<b>1,120,118</b>
Transfer of funds	10	(167,998)	167,998	-	-
<b>Net income/(loss) on ordinary activities</b>		<b>(190,066)</b>	<b>(3,451,235)</b>	<b>(3,641,301)</b>	<b>1,120,118</b>
<i>Reconciliation of funds</i>					
<b>Funds brought forward</b>		<b>841,927</b>	<b>40,375,510</b>	<b>41,217,437</b>	<b>40,097,319</b>
<b>Funds carried forward</b>	<b>11</b>	<b>651,861</b>	<b>36,924,275</b>	<b>37,576,136</b>	<b>41,217,437</b>

The Charity has no recognised gains or losses other than the results for the year as set out above. All of the activities of the Charity are classed as continuing.

See note 14 for fund accounting comparative figures.

The notes on pages 15 to 29 form part of these financial statements.

# Mr Willats' Charity

## BALANCE SHEET

as at 31 December 2022

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	Notes	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	3	169,446	975,888
Freehold investment property	4	36,353,500	39,429,700
Other investments	5	570,775	632,508
		<hr/>	<hr/>
		37,093,721	41,038,096
<b>Current assets</b>			
Debtors	6	121,973	106,567
Cash at bank		1,209,657	920,522
		<hr/>	<hr/>
		1,331,630	1,027,089
<b>Creditors: amounts falling due within one year</b>	7	(703,256)	(596,415)
		<hr/>	<hr/>
<b>Net current assets</b>		628,374	430,674
<b>Creditors: amounts falling due after more than one year</b>	8	(145,959)	(251,333)
		<hr/>	<hr/>
<b>Total net assets</b>		37,576,136	41,217,437
		<hr/> <hr/>	<hr/> <hr/>
<b>Funds:</b>			
<b>Endowment funds</b>		36,924,275	40,375,510
<b>Unrestricted funds</b>		651,861	841,927
		<hr/>	<hr/>
	11	37,576,136	41,217,437
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 15 to 29 form part of these financial statements.

The financial statements on pages 12 to 29 were approved and authorised for issue by the Board of Trustees on 18<sup>th</sup> October 2023 and signed on its behalf by:

*Roger Driver*

**Rev'd R Driver**  
**Trustee**

# Mr Willats' Charity

## CASH FLOW

as at 31 December 2022

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	Notes	2022 £	2021 £
<b>Net cash inflow from operating activities</b>	15	281,759	221,855
<b>Cash flows from investing activities:</b>			
Investment income received		8,597	6,009
<b>Cash flows from financing activities:</b>			
Expenditure on tangible fixed assets	3	(4,214)	(1,709)
Loss on disposal of fixed assets	3	2,993	-
<b>Change in cash and cash equivalents in the year</b>		<u>289,135</u>	<u>226,155</u>
<b>Cash and cash equivalents brought forward</b>		920,522	694,367
<b>Cash and cash equivalents carried forward</b>		<u><u>1,209,657</u></u>	<u><u>920,522</u></u>

The notes on pages 15 to 29 form part of these financial statements

# Mr Willats' Charity

## ACCOUNTING POLICIES

for the year ended 31 December 2022

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### **Basis of accounting**

The financial statements have been prepared under the historical cost convention as modified for investment assets (see below) and in accordance with the Charities Act 2011, the Financial Reporting Standard 102 (FRS102) and the requirements of the Charities Statement of Recommended Practice (FRS102) based thereon.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

The Charity is a public benefit entity as defined under FRS102. There are no material uncertainties affecting the ability of the Charity to continue as a going concern.

### **Fund structure**

The Charity has a permanent endowment that was established by Mr Willats when he created the Charity through the gifting of a significant number of properties to the Charity. The endowment funds are invested in perpetuity and the majority of those funds remain invested in properties that formed part of the original portfolio gifted by Mr Willats. The income arising on the endowment fund can be used for the general activities of the Charity and are, therefore, unrestricted funds.

Unrestricted income funds comprise those funds which the Charity is free to use for any purpose in furtherance of its charitable objects.

### **Income**

All income is recognised once the Charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of the income receivable can be measured reliably.

Rental income is recognised in the month that it falls due. Unpaid rent is accounted for in debtors and any rents received in advance are accounted for as deferred income.

Dividend income is recognised when it has been received by the Charity's fund manager.

### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. All expenses are either apportioned or directly allocated to the applicable expenditure headings. For more information on this allocation refer to 'allocation of support costs' within the accounting policies.

Grants for parish Guides are payments made to third parties in the furtherance of the charitable objects of the Charity. The majority of the grants awarded are multi-year grants and these are recognised in full when the commitment is initially made. Although there are certain conditions that could arise which would forfeit a beneficiary's right to future grants, habitually, most beneficiaries meet all required criteria. For this reason, it was agreed that the Charity would recognise future grant commitments.

# Mr Willats' Charity

## ACCOUNTING POLICIES *(continued)*

for the year ended 31 December 2022

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### **Financial instruments**

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transactional price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payments, discounted at a market rate of interest.

### **Cash and cash equivalents**

Cash and cash equivalents include cash at bank and in hand and short-term deposits with a maturity date of three months or less.

### **Allocation of support costs**

Expenditure categorised as support costs are those costs that are not directly attributable to the applicable expenditure headings. They include the following costs:

- Audit and accountancy
- Staff costs
- Services of the Clerk

All of these costs have been apportioned to the applicable expenditure headings based on an analysis of time spent by the individuals and the professional advisors in relation to those areas of work during the year.

Other costs relating to the running of the office and governance are categorised as administration costs and these are also apportioned to the applicable expenditure headings based on an overall assessment of the total time spent in relation to those areas of work by the key management personnel.

Full details of the allocation of costs can be found in Note 2.

### **Costs of raising funds**

The costs of raising funds consist of let property repairs and maintenance and professional fees in respect of the properties. It also includes investment management fees in respect of the investments held.

### **Pension costs**

The Charity complies with the Government's requirements in relation to auto-enrolment and contributes to a fund that meets all necessary criteria. During the year the Charity made contributions to this defined contribution money purchase scheme. The assets of the scheme were held separately from those of the Charity in independently administered funds. The pension charge in the accounts represents employer's contributions payable by the Charity to this pension fund amount to £2,279 (2021: £2,254). There was an outstanding contribution due of £371 (2021: nil) in relation to this pension fund at the year end.

The Charity also made provision to make contributions to a private pension fund of one employee. Although agreed deductions have been taken from the employee's salary and accruals have been made in relation to the employer's contribution, the Charity has unable to transfer these funds to the employee's pension fund as the employee has failed to make the necessary arrangements to enable this to happen. The pension charge within the accounts represents employer's contributions payable to this pension fund amounted to £1,181 (2021: £2,546). The total of the employee's and employer's pension liability in relation to this pension fund amounted to £10,454 (2021: £8,092) at the year end.

# Mr Willats' Charity

## ACCOUNTING POLICIES (*continued*)

for the year ended 31 December 2022

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### **Tangible fixed assets**

Freehold property is recorded at market value and regularly revalued for that purpose.

Other fixed assets are initially recorded at cost and written off over their estimated useful life. The depreciation rates applied were as follows:

- Office equipment – 20% straight line
- Furniture and fittings – 20% straight line
- Website – 25% straight line

Capital purchases in excess of £500 are treated as fixed assets.

### **Critical accounting judgements and key sources of estimation uncertainty**

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Trustees to have most significant effect on amounts recognised in the financial statements:

- **Investment property valuations**

The Charity has a large property portfolio which is held for the purposes of rental income and, as such, is classified as investment properties. The fair value is assessed annually by the Trustees, further details on how the fair value is assessed is noted in note 4 of these accounts, 'Freehold Investment Properties'.

Freehold property is not depreciated because the Trustees have adopted a revaluation policy in relation to this asset. The property will be professionally revalued every 5 years and the value of the property will be adjusted as necessary following this revaluation. A full professional revaluation of the properties held by the Charity was due at the end of December 2022. This was conducted by CSquared, Bath in accordance with RICS Valuation – Global Standards, effective 31 January 2022. A valuation review will be performed by the Board between professional revaluations. If there is some indication that impairment has occurred, the carrying value of the property would be reduced in accordance with that review. If there is an indication that the property is materially undervalued, an uplift will be recognised in accordance with the review.

### **Investment assets**

#### *Properties:*

The Charity's investment properties are carried forward at market value. In previous years one fifth of this property portfolio was professionally revalued on an annual basis and the property values carried forward would be adjusted, as necessary, to reflect these valuations. These valuations were undertaken by Carter Jonas, the last of which was at the end of December 2017. The Board then agreed that a full professional revaluation of all the properties would only need to be undertaken every 5 years and the value of the property would be adjusted, as necessary, following this revaluation. As such, a full professional revaluation of the properties was conducted as at the in July 2023. This was conducted by CSquared, Bath in accordance with RICS Valuation – Global Standards, effective 31 January 2022. A valuation review will be performed by the Board between professional revaluations. If there is an indication that impairment has occurred, the carrying value of the properties would be reduced in accordance with that review. If there is an indication that the properties are materially undervalued, an uplift will be recognised in accordance with the review.

Any cost of work carried out on modernisation and improvements between valuations is capitalised at cost.

#### *Other investments:*

These are shown in the balance sheet at middle market value.

**Mr Willats' Charity**  
ACCOUNTING POLICIES (*continued*)  
for the year ended 31 December 2022

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**Realised and unrealised gains and losses**

Gains and losses on the sale of property and investments in excess of the brought forward valuation are treated as realised gains or losses and are credited or debited to the Statement of Financial Activities.

Unrealised gains or losses arising on the revaluation of properties and investments are credited or debited to the Statement of Financial Activities.

Mr Willats' Charity  
 NOTES TO THE ACCOUNTS  
 for the year ended 31 December 2021

1 Grants for parish Guides	2022	2021
	£	£
<b>Total grant commitments made in the year</b>	250,000	313,326
Cost allocation		
Salary costs: Clerk	17,552	29,745
Salary costs: other staff	21,453	22,168
Audit, Accountancy & valuation fees	9,725	8,472
Administration costs	35,618	23,128
	<hr/>	<hr/>
Total costs as stated in the SOFA (see note 2)	334,348	396,839
	<hr/> <hr/>	<hr/> <hr/>
<b>Reconciliation of grant commitments</b>		
Commitment brought forward at the start of the year	497,083	458,958
Commitment made in the year:		
Grants for parish Guides	377,500	349,500
Early end grants written back:		
Reduction in grants to parish Guides	(126,666)	(28,875)
Payments made during the year:		
Grants for parish Guides	(290,125)	(282,500)
	<hr/>	<hr/>
Commitments carried forward at the end of the year	457,792	497,083
	<hr/> <hr/>	<hr/> <hr/>
Split of commitments carried forward:		
Grants for parish Guides due within one year (see note 7)	311,833	245,750
Grants for parish Guides due in greater than one year (see note 8)	145,959	251,333
	<hr/>	<hr/>
	457,792	497,083
	<hr/> <hr/>	<hr/> <hr/>

All grants were paid to institutions who act as intermediary grant recipients on the basis that the grants paid were to support the employment costs of specific individuals acting as Guides whilst fulfilling their ministry.

**Mr Willats' Charity**  
 NOTES TO THE ACCOUNTS *(continued)*  
 for the year ended 31 December 2022

**2 Total expenditure**

**2022**

	Salary Costs: Clerk £	Salary Costs: Other Staff £	Audit & Accounts Services £	Admin Costs £	Other Direct Costs £	Total £
Let property expenditure	17,552	39,841	18,061	66,148	570,422	712,024
Investment management fees	-	-	-	-	5,046	5,046
Grants for parish guides (see note 1)	17,552	21,453	9,725	35,618	250,000	334,348
	<u>35,104</u>	<u>61,294</u>	<u>27,786</u>	<u>101,766</u>	<u>825,468</u>	<u>1,051,418</u>

**2021**

	Salary Costs: Clerk £	Salary Costs: Other Staff £	Audit & Accounts Services £	Admin Costs £	Other Direct Costs £	Total £
Let property expenditure	29,745	41,168	15,734	34,693	614,959	736,299
Investment management fees	-	-	-	-	5,345	5,345
Grants for parish guides (see note 1)	29,745	22,168	8,472	23,128	313,326	396,839
	<u>59,490</u>	<u>63,336</u>	<u>24,206</u>	<u>57,821</u>	<u>933,630</u>	<u>1,138,483</u>

In analysing the total expenditure by the Charity some costs have been apportioned. The apportionments used are detailed below:

	Services of Clerk %	Staff Costs %	Audit & Accountancy %	Admin Costs %
<b>2022</b>				
Let property	50	65	65	65
Grants for parish Guides	50	35	35	35
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
<b>2021</b>				
Let property	50	65	65	60
Grants for parish Guides	50	35	35	40
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

**Mr Willats' Charity**  
 NOTES TO THE ACCOUNTS *(continued)*  
 for the year ended 31 December 2022

**2 Total expenditure (continued)**

All remaining costs are shown under the heading 'other direct costs' and are charged directly to the three cost headings as appropriate.

Included within grant expenditure are grants payable of £250,000 (2021: £313,326) relating to individual grants payable to Guides. All grants are given for the same charitable purpose which is to assist parishes in the churches of England, Wales and Ireland by contributing towards the salaries/expenses of lay pastoral workers.

Total governance costs were £51,328 (2021: £34,733). These costs have been split proportionately between let property costs and grants for parish Guides.

**Auditor's remuneration**

Included within audit and accountancy services expenditure above, amounts payable to the Charity's auditor are detailed as follows: audit fees for the current year of £15,236 (2021: £13,794); no other fees (2021: £nil) were paid to the auditors during the year.

**3 Tangible fixed assets**

**2022**

	Freehold Property £	Office Equipment £	Furniture & Fittings £	Website £	Total £
<b>Cost</b>					
At the start of the year	942,600	43,537	276,813	22,948	1,285,898
Additions	-	4,214	-	-	4,214
Disposals	-	(3,849)	-	-	(3,849)
Transfer to investment properties	(481,300)	-	-	-	(481,300)
Revaluation	(306,300)	-	-	-	(306,300)
As the end of the year	155,000	43,902	276,813	22,948	498,663
<b>Depreciation</b>					
At the start of the year	-	36,206	256,593	17,211	310,010
Charge for the year	-	4,217	10,109	5,737	20,063
Write back on disposal	-	(856)	-	-	(856)
As the end of the year	-	39,567	266,702	22,948	329,217
<b>Net book value</b>					
As the end of the year	155,000	4,335	10,111	-	169,446

# Mr Willats' Charity

## NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2022

### 3 Tangible fixed assets (continued)

#### 2021

	Freehold Property £	Office Equipment £	Furniture & Fittings £	Website £	Total £
<b>Cost</b>					
At the start of the year	944,000	41,828	276,813	22,948	1,285,589
Additions	-	1,709	-	-	1,709
Revaluations	(1,400)	-	-	-	(1,400)
As the end of the year	942,600	43,537	276,813	22,948	1,285,898
<b>Depreciation</b>					
At the start of the year	-	31,695	238,976	11,474	282,145
Charge for the year	-	4,511	17,617	5,737	27,865
As the end of the year	-	36,206	256,593	17,211	310,010
<b>Net book value</b>					
As the end of the year	942,600	7,331	20,220	5,737	975,888

During the year the Trustees decided to rent out one of their properties that had previously been used by the charity. The brought forward market value of this space had been estimated as £481,300 so this value has been transferred out of the freehold property and added to investment properties within the fixed assets, reducing the total value of office space now being used by the Charity to £461,300, before recognising the revaluation.

The Charity's investment properties are held at market value. The year-end valuations have been arrived at on the basis of a valuation undertaken by CSquared in July 2023. The valuation was made on an open market basis by reference to market evidence of transaction prices for similar properties, and was carried out in line with the Charity's 5 year property revaluation policy.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the carrying amounts would have been approximately £395,000 (2021 - £810,000).

**Mr Willats' Charity**  
 NOTES TO THE ACCOUNTS *(continued)*  
 for the year ended 31 December 2022

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**4 Freehold investment properties**

**2022**

	Commercial £	Residential £	Total £
Valuation at the start of the year	3,760,000	35,669,700	39,429,700
Improvements at cost during year	-	-	-
Transfer from tangible fixed assets	-	481,300	481,300
Revaluation of property during year	843,500	(4,401,000)	(3,557,500)
	<hr/>	<hr/>	<hr/>
Valuation at the end of the year	4,603,500	31,750,000	36,353,500
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**2021**

	Commercial £	Residential £	Total £
Valuation at the start of the year	3,760,000	34,724,000	38,484,000
Improvements at cost during year	-	-	-
Revaluation of property during year	-	945,700	945,700
	<hr/>	<hr/>	<hr/>
Valuation at the end of the year	3,760,000	35,669,700	39,429,700
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

During the year the Trustees decided to let one of their properties that had previously been used by the Charity. The brought forward market value of this property had been estimated as £481,300 so this value has been transferred out of the freehold property fixed assets and added to investment properties, reducing the total value of office space now being used by the Charity to £461,300, before recognising the revaluation adjustment.

The Charity's investment properties are held at market value. The year-end valuations have been arrived at on the basis of a valuation undertaken by CSquared in July 2023. The valuation was made on an open market basis by reference to market evidence of transaction prices for similar properties, and was carried out in line with the Charity's 5 year property revaluation policy.

The Trustees estimate that the market value of the freehold investment properties at 31 December 2022 is £35,669,700 (2021: £39,429,700).

**Mr Willats' Charity**  
 NOTES TO THE ACCOUNTS *(continued)*  
 for the year ended 31 December 2022

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<b>5</b>	<b>Other investments</b>		
		2022	2021
		£	£
	Market value at the start of the year	632,508	600,964
	Portfolio fees	(5,046)	(5,345)
	Net (loss)/gain	(56,687)	36,889
		<hr/>	<hr/>
	Market value at the end of the year	570,775	632,508
		<hr/>	<hr/>
	Historical cost at the end of the year	494,356	517,621
		<hr/>	<hr/>
	The investments are held as follows:	2022	2021
		£	£
	Equities and convertible stocks	416,248	393,308
	Gilts and other fixed interest stocks	132,349	144,642
	Cash and cash equivalents	22,178	94,558
		<hr/>	<hr/>
		570,775	632,508
		<hr/>	<hr/>
	Analysis by geographical sector	2022	2021
		£	£
	Investment assets in the UK	105,806	350,409
	Investment assets outside of the UK	464,969	282,099
		<hr/>	<hr/>
		570,775	632,508
		<hr/>	<hr/>
<b>6</b>	<b>Debtors</b>		
		2022	2021
		£	£
	Rents receivable	20,067	18,028
	Prepayments	101,906	88,539
		<hr/>	<hr/>
		121,973	106,567
		<hr/>	<hr/>

# Mr Willats' Charity

## NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2022

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**7 Creditors: amounts falling due within one year**

	2022	2021
	£	£
Rents invoiced in advance	40,720	39,723
Rents received in advance	7,890	10,040
Trade creditors	133,618	127,549
Accruals	64,952	29,668
Other creditors	144,243	143,685
Grants due to Parish Guides	311,833	245,750
	<hr/>	<hr/>
	703,256	596,415
	<hr/>	<hr/>

**8 Creditors: amounts falling due after more than one year**

	2022	2021
	£	£
Grants due to Parish Guides	145,959	251,333
	<hr/>	<hr/>

**9 Staff costs**

	2022	2021
	£	£
Salaries and social security	74,290	106,187
Compensation for loss of office	10,000	-
Employer's NI	3,222	6,643
Pension contributions	3,657	4,800
	<hr/>	<hr/>
	91,169	117,630
	<hr/>	<hr/>

Average weekly number of employees during the year, calculated on an average headcount basis

3	3
<hr/>	<hr/>

No individual employed by the charity received remuneration in excess of £60,000 during the current or previous year.

The Key Management personnel of the Charity, as previously stated in the Trustees' Report, comprise of the Directors of the Corporate Trustee, the Clerk (until resignation on 8 September 2022), the Property Manager and the Grants Administrator. The total salary and consultancy remuneration paid by the Charity to the Key Management personnel was £91,169 (2021: £117,630).

**Mr Willats' Charity**  
 NOTES TO THE ACCOUNTS *(continued)*  
 for the year ended 31 December 2022

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**10 Inter-fund loan**

The Charity holds significant endowment funds, the majority of which are invested in property. The Trustees believe that in order to safeguard the asset value and future income streams of the property portfolio it is necessary to maintain and improve the endowment properties. All endowment property improvements are added to the brought forward value of the property portfolio. The endowment funds do not receive any income and, therefore, only hold cash reserves if endowment assets have been sold, as such, the endowment fund does not usually hold sufficient cash reserves to finance the necessary property improvements. Historically, where the endowment funds have not been able to finance the full cost of property improvements, the shortfall is met by a fund transfer from the unrestricted funds. This has the immediate effect of reducing the unrestricted funds' reserves but the Trustees believe that the preservation of the property portfolio has resulted in higher future income generation for that fund.

In 2019 the total value of improvements to the property portfolio was £481,135. These costs were partly financed through the unspent cash reserves held by the endowment fund at the start of the year following a £400,000 draw down from the stock market portfolio in 2018. The unspent cash reserves brought forward from the previous year amounted to £246,137. The balance of costs, being £234,998 was financed from cash held within the unrestricted funds. The Trustees considered that due to insufficient free reserves within the unrestricted fund, the Charity was not in a position to transfer funds from unrestricted funds to endowment funds. Instead, it was agreed that the unrestricted funds would lend the cash shortfall to the endowment funds until such time as the endowment fund was in a position to repay the loan or the unrestricted funds were in a position to write off the loan.

No improvements have been made to any of the properties held by the endowment funds during the year so there has been no need to increase the amount lent from the unrestricted funds to the endowment funds and none of the assets held by the endowment fund have been realised in the year, so the endowment fund has not been able to repay this loan during the year. However, in 2020 the Trustees performed a desk top revaluation of the Charity's investment portfolio which included one property that is held by both the endowment and unrestricted fund. The entire value of this property's gain was incorrectly attributed to the endowment fund but £67,000 of the gain should have been attributed to the unrestricted funds. To correct this error, the Trustees have decided that this gain should be written back against the inter-fund loan. Therefore, the balance of the inter-fund loan has reduced from £234,998 at the start of 2021 to £167,998 at the end of that year. The remaining balance of £167,998 was settled at the end of 2022 by a transfer from the unrestricted funds to the endowment funds.

The movements relating to the inter-fund loan are detailed below:

	2022	2021
	£	£
Balance brought forward at the start of the year	167,998	234,998
Adjustment for unrealised gain on property revaluation previously incorrectly attributed to the endowment fund in prior year	-	(67,000)
Transfer of unrestricted funds to endowment funds to clear loan	(167,998)	-
	<u>          </u>	<u>          </u>
	-	167,998
	<u>          </u>	<u>          </u>

# Mr Willats' Charity

## NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2022

### 11 Analysis of net assets between funds

#### 2022

	Freehold Investment Property £	Other Investments £	Fixed Assets £	Inter-fund Loan £	Net Assets/ (Liabilities) £	Total £
Endowment funds	36,353,500	570,775	-	-	-	36,924,275
Unrestricted funds	-	-	169,446	-	482,415	651,861
	<u>36,353,500</u>	<u>570,775</u>	<u>169,446</u>	<u>-</u>	<u>482,415</u>	<u>37,576,136</u>

#### 2021

	Freehold Investment Property £	Other Investments £	Fixed Assets £	Inter-fund Loan £	Net Assets/ (Liabilities) £	Total £
Endowment funds	39,429,700	632,508	481,300	(167,998)	-	40,375,510
Unrestricted funds	-	-	494,588	167,998	179,341	841,927
	<u>39,429,700</u>	<u>632,508</u>	<u>975,888</u>	<u>-</u>	<u>179,341</u>	<u>41,217,437</u>

### 12 Related party transactions and Directors' expenses and remuneration

No related party transactions were entered into during the current or previous year.

During the year, no Director received any remuneration (2021: £nil) but expenses amounting to £760 (2021: £194) were claimed by a total of two Directors in relation to travel and accommodation costs.

### 13 Capital commitments

At both this year end and the previous year end, the Charity had made no commitment to any future capital expenditure.

Mr Willats' Charity  
 NOTES TO THE ACCOUNTS *(continued)*  
 for the year ended 31 December 2022

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14 Fund accounting comparative figures

2021

	Unrestricted Funds £	Endowment Funds £	Total 2021 £
<b>Income and endowments from:</b>			
Investment property income	1,271,403	-	1,271,403
Other investment income	6,009	-	6,009
	-----	-----	-----
<b>Total income</b>	1,277,412	-	1,277,412
	-----	-----	-----
<b>Expenditure on:</b>			
<i>Cost of raising funds:</i>			
Let property expenditure	736,299	-	736,299
Investment management fees	-	5,345	5,345
	-----	-----	-----
<i>Expenditure on charitable activities:</i>			
Grants for parish Guides	396,839	-	396,839
	-----	-----	-----
<b>Total expenditure</b>	1,133,138	5,345	1,138,483
	-----	-----	-----
Unrealised gains on revaluation of fixed assets	(700)	(700)	(1,400)
Unrealised gains on revaluation of investment properties	-	945,700	945,700
Net gains on stock market investments	-	36,889	36,889
	-----	-----	-----
<b>Net income on ordinary activities</b>	143,574	976,544	1,120,118
	-----	-----	-----
<i>Reconciliation of funds</i>			
<b>Funds brought forward</b>	698,353	39,398,966	40,097,319
	-----	-----	-----
<b>Funds carried forward</b>	841,927	40,375,510	41,217,437
	=====	=====	=====

# Mr Willats' Charity

NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2022

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## 15 Reconciliation of net movements in funds to net cash generated from operating activities

	2022	2021
	£	£
<b>Continuing activities</b>		
Net movement in funds	(3,641,301)	1,120,118
Deduct investment income	(8,597)	(6,009)
Add back depreciation of tangible fixed assets	20,063	27,865
Add losses/(deduct gains) on investments	56,687	(36,889)
Add back investment management fees	5,046	5,345
Deduct increase in debtors	(15,406)	(9,856)
(Decrease)/increase in creditors	1,467	65,581
Unrealised loss/(gain) on revaluations of investment properties	3,557,500	(945,700)
Unrealised loss/(gain) on revaluation of property held in fixed assets	306,300	1,400
Net cash inflow from operating activities	<u>281,759</u>	<u>221,855</u>

**MR WILLATS' CHARITY**

England & Wales - Charity number 202269

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# Accounts

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THE  
WILLATS  
TRUST

REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2021

Charity no: 202269

# Mr Willats' Charity

## LEGAL AND ADMINISTRATIVE INFORMATION

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### **Governing document and constitution**

The Charity was set up under an Indenture dated 13 November 1858 by Mr William Willats. Mr Willats' Corporate Trustee Ltd (MWCTL) is the sole Trustee of Mr Willats' Charity. The Charity has the working title of 'The Willats Trust'. The individuals that served as Directors to the Corporate Trustee during the year are detailed below:

### **Directors of the Corporate Trustee**

Mr R Brown (Removed by Resolution of the Board 21 September 2022)

The Rev'd. R Driver (Appointed as acting Vice Chair 13 February 2022)

Mr T Friend (Appointed 15 April 2021)

The Rev'd. Dr M Ifode-Blease (Appointed as acting Chair 13 February 2022)

Mr P LeRoy

Mr P V Lindon (Resigned 31 January 2022)

Rev'd D Woodall (Resigned 16 July 2021)

All appointments and resignations during the year or up to the time of the signing of these accounts have been noted.

### **Clerk and Receiver to the Corporate Trustee and its Directors**

Mr Q T S Elston (Resigned 8 September 2022)

### **Property Manager**

Mrs E L Palfreyman

### **Grants Administrator**

The Rev'd. Méri Schoeman

### **Principal office**

Basement 19 Rivers Street  
Bath BA1 0AQ

### **Website**

[www.willatstrust.org](http://www.willatstrust.org)

### **Bankers**

C Hoare & Co  
37 Fleet Street  
London EC4P 4DQ

National Westminster Bank plc  
39 Milsom Street  
Bath BA1 1DS

### **Solicitors**

Thrings  
2 Queen Square  
Bath BA1 2HQ

Royds Withy King  
5-6 Northumberland Buildings  
Queen Square  
Bath BA1 2JE

### **Auditors**

Saffery ChampnessLLP  
St Catherine's Court  
Berkeley Place  
Bristol  
BS8 1BQ

### **Investment managers**

Cazenove Capital  
1 London Wall Place  
London EC2Y 5AU

# Mr Willats' Charity

## TRUSTEES' REPORT

for the year ended 31 December 2021

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### OBJECTIVES AND ACTIVITIES

Mr Willats' Charity was established in 1858 by its Founder, William Willats, to support Christian workers to share the good news about Jesus Christ in some of the most marginalised communities in the UK. The Charity achieves this by contributing towards the salary of lay pastoral workers ('Guides') in the form of grants. To fund the objectives of the Charity, the Founder created a sizable endowment by bequeathing a significant property portfolio to the Charity. This is managed by the Charity and the surpluses generated through investment income are used to fund the grants given to 'Guides'. 'Guides' may apply for funding for a grant for a three-year appointment. There are two application cycles per year, in the spring and the autumn.

### ORGANISATIONAL STRUCTURE

The Charity is governed by a sole 'Corporate Trustee' entitled Mr Willats' Corporate Trustee Limited (MWCTL). The Directors of the Corporate Trustee are the Trustees of the Charity.

The Board of Directors ("the Board") has delegated the day-to-day running of the Charity to its Clerk & Receiver ("Clerk"), to the Property Manager and to the Grants Administrator, all of whom are employees of the Charity. They are supported in their roles by specialist professional contractors who provide services to the Charity as and when they are needed. The Board meets regularly to consider the business of the Charity including the consideration of applications for grants and to receive reports from the Guides, the Clerk & Receiver, the Property Manager, the Grants Administrator and the Charity's professional contractors. Following the resignation of the Clerk on 8 September 2022, the Board will be reviewing the organisational structure to ensure a smooth transition to a new operational lead.

### APPOINTMENT OF DIRECTORS TO THE CORPORATE TRUSTEE

The Directors who have served during the year, and since the year end, are set out on page 1. Directors are appointed by the existing Board.

### ACHIEVEMENTS AND PERFORMANCE

#### **The day-to-day operations of the Charity**

#### **The Charity's Grant Making Activities**

The Board sees strategic partnerships with organisations wishing to appoint people to undertake work that fulfils the Founder's intentions, albeit in a more modern context, as being key to ensuring that the Charity makes the most effective use of its grants. Thus, it will continue to seek such partnerships.

During the year, the Grants Administrator undertook visits to a selected number of Guides. The Board saw this as a positive step towards ensuring that it maintains an up-to-date understanding of the work that the Charity supports. In addition, the information gathered will help the Board in formulating any future grant making strategy.

The Charity has increased its online and face-to-face engagement to support the Guides. The Grants Administrator also uses social media to support and connect the Guides to one another. The feedback indicated that the Charity's Guides very much appreciated the contact and support they received. Moreover, regular reports on the Guides kept the Board in touch with how those whom the Charity supports are fulfilling their roles.

During the course of 2021, the Grants Administrator began a new initiative, namely giving personal feedback to the Guides following the submission of their six-monthly reports. This enabled the Charity to provide additional advice and support in relation to the Guides' varied roles and areas of service. More localised professional support and line management is offered by the Guides' supervisors within their local contexts.

During 2021, the Board awarded grants to Guides of £313,326 (2020: £274,532). See note 1 of the accounts for more details.

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# Mr Willats' Charity

## TRUSTEES' REPORT (*continued*)

for the year ended 31 December 2021

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### ACHIEVEMENTS AND PERFORMANCE (*continued*)

#### **The day-to-day operations of the Charity (*continued*)**

##### **The Charity's Properties**

As in the previous year, the Board sets a budget at the start of the year with the intention of ensuring that the unrestricted funds maximise income from investments and minimise its direct and indirect costs. The Board is pleased to report that the Charity's investment income, both from properties and other investments, met the budgeted expectation with income of £1,277,412 achieved in the year (2020: £1,208,033). This income was slightly more than that achieved in 2020 and the Trustees are pleased that the investment income was relatively unaffected by the ongoing implications of the COVID-19 pandemic.

The Charity owns a number of substantial Georgian listed properties in Bath, a UNESCO World Heritage City. The properties continue to provide a healthy income for the Charity to support its 'Guides', the Charity's primary beneficiaries. Given the geographical location of the properties, they require considerate, careful and sympathetic planned maintenance and refurbishment. There remain some residential properties that are in need of refurbishment and modernisation before they will be in a position to be let at their full market rent, but progress continues to reduce their number. In addition, a few of the residential properties continue to be let to 'Protected Tenants' who enjoy a high degree of statutory protection and a restriction upon the rent that can be levied. The Board expects that over the coming years the number of such tenants will continue to decline.

When considering the need for and any plans for refurbishment of a property, the Board will base its decisions upon information relating to the current market value, anticipated costs of refurbishment and rental income arising thereafter of each of the relevant properties, in essence, the return on investment. The Board is well-served by professional advice in this regard and plan to continue to review the Charity's existing properties as and when necessary and possible with a view to maximising the Charity's rental income and grant expenditure.

The letting and rent reviews of the Charity's residential properties have been handled by the Trustees' Property Manager, with additional assessments conducted when required or advised to ensure that properties are let at the market rate. The properties are advertised on the Charity's web site and through external letting web sites. This has proved very successful. The Trustees are pleased to report that the vacancy rate and turnover periods are very low. Moreover, the Charity has many repeat tenants. Providentially and through the good stewardship of the Board and the Charity's staff, the Charity has a reputation of being a good landlord. Recommendations are often made by current and former tenants which results in many of the Charity's properties being let through word-of-mouth.

##### **Covid-19**

The impact of the COVID pandemic upon the Charity's day-to-day operations eased in 2021 as the country gradually emerged from lock-down restrictions and 'normal' life resumed. Thankfully, the Charity's income has been sustained throughout the pandemic and the Charity has been able to operate effectively within the required restrictions. Although some Guides were placed on furlough in 2021, the numbers were significantly fewer than in the previous year. The Charity was able to suspend the grant payments to those Guides over the furlough periods, thereby increasing the length of the grants to the affected Guides to cover the furlough suspension.

# Mr Willats' Charity

## TRUSTEES' REPORT (*continued*)

for the year ended 31 December 2021

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### FUTURE PLANS

The Focus of the Charity in 2022 will be two-fold: to ensure stable and effective operational leadership and to begin a strategic review to ensure that the Charity continues to meet its objects and reach the maximum number of beneficiaries. The awarding of grants to 'Guides' will continue on a bi-annual basis with an increase in the amount awarded if financially viable. As part of its broader review, the Charity will also review its grant-making strategy to ensure that it continues to meet its objectives in supporting those working in marginalised and underserved communities. Key and urgent maintenance work will also be undertaken on specific properties. Further, the Board will seek new members to support the decision-making and develop committees to undertake specific projects and areas of work. One such project will be the full professional valuation of the Charity's property portfolio at the end of 2022. The Board is anticipating selling one of its properties to facilitate the refurbishment of some of its property portfolio as well as investing in the stock market portfolio with the intention of diversifying its investment portfolio.

### FINANCIAL REVIEW

The Charity's work is entirely reliant on income and investment returns from its endowment fund which is, predominantly, invested in residential properties in Bath.

The Charity made an unrestricted fund surplus of £143,574 (2020: £247,906) in the year. This surplus is lower than last year's surplus but is higher than the budgeted surplus for the year. As predicted last year, the reason for this year's fall in surplus was due to a planned increase in the level of expenditure on property maintenance as the Charity caught up on essential works deferred in previous years. It is anticipated that this level of expenditure will continue in future years as the Charity continues to catch up with this deferred expenditure.

The unrestricted funds brought forward at the start of the year were £698,353 (2020: £450,447) and the surplus of £143,574 (2020: £247,906) for the year was added to this figure giving a total unrestricted fund value of £841,927 (2020: £698,353) carried forward at the year end.

The endowment funds brought forward at the start of the year were £39,398,966 (2020: £34,504,171). During the year the endowment fund made a surplus of £976,544, (2020: £4,894,795) in relation to realised and unrealised gains on stock market investments and revaluation of properties, which was added to this fund giving a total endowment fund of £40,375,510 (2020: £39,398,966) carried forward at the year end.

The total reserves carried forward at the year-end amounted to £41,217,437 (2020: £40,097,319).

### INVESTMENT POLICY AND PERFORMANCE

The investment powers of the Board are governed by the Trust Deed, as amended by relevant legislation. The Charity holds a small stock market investment portfolio, and the Board seeks to obtain, through its investment manager, a balance in income return and capital growth from the Charity's quoted stocks and shares. During the year the stock portfolio was managed by Cazenove.

In light of benchmark indicators, the Board is satisfied with the performance of the stock portfolio during the year which resulted in the portfolio achieving realised and unrealised gains of £36,889 (2020: gain of £32,686). Dividend income was in line with expectations. See note 5 for more details.

# Mr Willats' Charity

## TRUSTEES' REPORT (*continued*)

for the year ended 31 December 2021

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### INVESTMENT POLICY AND PERFORMANCE (*continued*)

The majority of the Charity's investment assets are held as freehold property. In previous years, one fifth of this property portfolio was professionally revalued on an annual basis and the property values carried forward would then be adjusted, as necessary, to reflect these valuations. These valuations were undertaken by Carter Jonas, the last of which was at the end of December 2017. The Board then agreed that a full professional revaluation of all the properties will only need to be undertaken every 5 years and the value of the property will be adjusted, as necessary, following this revaluation. The next full professional revaluation of the properties held is, therefore, due in December 2022. The Board has reviewed the full property portfolio and their on-going carrying values and, giving particular consideration to commercial properties in consideration of the economic impacts of COVID-19, do not consider that any impairment is deemed to have occurred in relation to the freehold properties. If the Board did have reason to believe that an investment had incurred a significant impairment during the year, the value of the properties would be adjusted to reflect this impairment. Following the Board's review, an uplift of £945,700 (2020: £4,732,920) has been recognised in respect of the residential properties this year. No uplift or impairment has been recognised in respect of the commercial properties this year.

The Board is satisfied that the property values recorded in these accounts are a true reflection of their current market value and are confident that freehold property values will continue to rise in the long-term future and, therefore, continue to be a worthwhile investment for the Charity. The Board continues to seek to maintain and improve the Charity's property portfolio through a planned program of repair and refurbishment to ensure that it maximises the income potential of the assets held.

### RESERVES POLICY

The Trustees have agreed that they will aim to maintain free unrestricted funds at a level that equates to approximately three months of its expenditure. This decision was reached on the basis that this level of reserves will provide sufficient funds for the Charity to meet its obligations to staff, contractors and beneficiaries at any given point in time. The Trustees consider that this level of free reserves is sufficient given the regular and reliable income receivable from the rental of let properties.

Based on the expenditure in 2021, costs for three months amount to approximately £285k. As previously stated, the balance held in unrestricted funds at the end of the year is £841,927 and the fixed assets held by unrestricted funds are £478,988 (see note 11), therefore, the Charity holds free reserves of £362,939 which exceeds the target set out in its reserves policy. There is currently an inter-fund loan account between the unrestricted and endowment funds (see note 10 for further details) which arose in prior years when the Charity used unrestricted funds to finance capital improvements to the property investment portfolio which, had the funds been transferred from the unrestricted funds to the endowment funds, would have taken the unrestricted funds of the Charity below an acceptable level. Now that the free reserves of the Charity are increasing year on year, the Trustees are considering that they may be able to write off the inter-fund loan account at the end of 2022.

### PUBLIC BENEFIT

The Trustees are aware of the provisions of the Charities Act 2011 concerning public benefit, the guidance published by the Charity Commission on this subject and the obligation to report on ways in which they believe Mr Willats' Charity meets the public benefit requirements established by the Act. Fuller details of the Charity's objectives and activities undertaken in support of these objectives will be found in other sections of this report. The Board believes that the Charity's grant distributions and associated activities benefit society through the funding of costs relating to Guides who, in order to comply to the grant criteria, must meet a specified amount of direct contact time with those the Charity seeks to benefit who are the 'lowest and poorest members of society'. In more modern parlance, this means that Guides work in the most deprived areas of the UK, supporting underserved communities. The Charity uses the Index of Multiple Deprivation (IMD) as part of its criteria for awarding grants to Guides. Through their work, the Guides are not only preaching the Gospel but also providing support and assistance to those most in need.

# Mr Willats' Charity

## TRUSTEES' REPORT (*continued*)

for the year ended 31 December 2021

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### GRANT MAKING POLICY

Whilst the expectation of the Charity is that the predominance of the Guide's work must be with their 'client group', the Board recognises that today the duties of a lay worker in an organisation will often include some administrative work. The Board expects, however, that if appointed as a Guide, this aspect of their work must be minimal.

All grants are awarded subject to finances permitting and the Board reserves the right to withdraw a grant at any time without notice. All new grants are awarded for a maximum period of three years. At the expiry of the three years, the organisation who has sponsored the application may not make a further application in respect of the same person, within 12 months of the previous grant expiring.

All grants are reviewed by the Board twice a year to monitor whether each Guide continues to fulfil the requirements of the Charity. Applications for grants will only be considered by the Directors if they are in receipt of correctly completed application forms.

There has been a continued emphasis on making grants to organisations (who are registered charities) who minister to the "lowest and poorest members of society". The Board continues to keep under review the Charity's grant making activities and, in this regard, see additional comments made by the Board under the heading 'Future Plans'.

### GOVERNANCE

The Board has identified the need to appoint additional Directors to broaden the skills and expertise present on the Board. This process is already underway and will continue into 2023 with a view to appointing at least two new Trustees.

The Trustees, having regard to the *Charity Governance Code* and in particular Principle 6 of the *Code* (Equality, Diversity & Inclusion), also intend to look at how they can enhance their approach to supporting this Principle in its own practice and governance. This will be a key consideration in the appointment of new Directors.

### DIRECTORS' INDUCTION AND TRAINING

New Directors undergo an induction scheme to brief them on all the work of the Charity and their legal obligations under both charity and company law. Directors are encouraged to attend appropriate external training events where these facilitate the undertaking of their role. In addition, Directors are kept up to date with charity related matters through the forwarding of regular relevant publications, reports and advice from the Charity's staff and professional contractors.

# Mr Willats' Charity

TRUSTEES' REPORT (*continued*)

for the year ended 31 December 2021

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## RISK MANAGEMENT

The Board considers that the principal risks faced by the Charity relate to its obligations to its tenants and to carrying out the aims of its Founder. The Board will review its risk register and related policies annually, reflecting any statutory updates and mitigating actions in line with best practice.

The Charity carries a risk in relation to third party liability to ensure the health and safety of any tenant residing within its properties. To mitigate this risk, the Charity employ the services of professional surveyors who regularly visit and assess all residential lets. The Charity prides itself on maintaining the buildings held within its property portfolio to a high standard with a view to not only providing tenants with high quality accommodation but also ensuring their safety and acting as a witness to the faith of the Founder. The Charity's surveyors, the Charity's Property Manager and the Clerk meet regularly to discuss the property portfolio and review issues arising and agree action plans. The Charity's Clerk, staff and contractors seek to ensure that the Charity is compliant with all relevant landlord legislation.

## PAY POLICY FOR KEY MANAGEMENT STAFF

The Directors consider that the Board, the Clerk, the Property Manager and the Grants Administrator are the *Key Management Personnel* of the Charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis. Supplementary professional support is provided when required by contractors. The Directors give their time freely and no Director received remuneration in the year.

The pay for the Clerk, Property Manager and Grants Administrator are reviewed by the Board annually. The salaries of the employees may be increased in accordance with average salary increases nationally and those within the charity sector.

## RELATED PARTIES

None of the Directors receive remuneration from their work with the Charity. The Charity does repay expenses incurred by the Directors during the fulfilment of their role as Directors. In addition, the Charity provides some Directors with iPads or laptops to enable the Directors to access Board papers through an online portal hosted by *DirectorPoint*. In addition, the Board accesses and reviews applications for grants and six-monthly reports from guides through an online portal hosted by *Wizehive*. These online portals have reduced the need for the papers, applications and reports to be printed, copied and sent to each Director for Board meetings. This has thus reduced administration time and costs. There is, nevertheless, regular review of these online portals to ensure value for money and cost effectiveness. Further details connected to transactions with related parties can be found in note 12.

# Mr Willats' Charity

## STATEMENT OF THE CORPORATE TRUSTEE'S RESPONSIBILITIES

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The Board is 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 and Wales requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 charity will continue in business.

The Board are responsible for keeping sufficient accounting records that 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 Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the Trust Deed. It is 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.

The Board is responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board on 26 October 2022

Signed by order of the Board:

*Roger Driver*

**Rev'd R Driver**  
**Trustee**

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MR WILLATS' CHARITY

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## OPINION

We have audited the financial statements of Mr Willats' Charity for the year ended 31 December 2021 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 Charity's affairs as at 31 December 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## BASIS OF 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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.

## OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MR WILLATS' CHARITY (CONTINUED)

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### 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 Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### RESPONSIBILITIES OF THE TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the Trustees 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 Charity'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 charity or to cease operations, or have no realistic alternative but to do so.

### AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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 auditors' 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the Charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MR WILLATS' CHARITY (CONTINUED)

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## AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

### Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Michael Strong*

**Michael Strong (Senior Statutory Auditor)**  
**For and on behalf of Saffery Champness LLP**  
Chartered Accountants and Statutory Auditors  
St Catherine's Court  
Berkeley Place  
Bristol  
BS8 1BQ

Date: 26 October 2022

Saffery Champness LLP is eligible to act as an auditor under the terms of Section 1212 of the Companies Act 2006.

**Mr Willats' Charity**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
for the year ended 31 December 2021

	Note	Unrestricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
<b>Income and endowments from:</b>					
Investment property income		1,271,403	-	1,271,403	1,202,603
Other investment income		6,009	-	6,009	5,430
<b>Total income</b>		<b>1,277,412</b>	<b>-</b>	<b>1,277,412</b>	<b>1,208,033</b>
<b>Expenditure on:</b>					
<i>Cost of raising funds:</i>					
Let property expenditure	2	736,299	-	736,299	601,311
Investment management fees	2	-	5,345	5,345	4,811
<i>Expenditure on charitable activities:</i>					
Grants for parish Guides	1,2	396,839	-	396,839	358,816
<b>Total expenditure</b>	<b>2</b>	<b>1,133,138</b>	<b>5,345</b>	<b>1,138,483</b>	<b>964,938</b>
Unrealised gains on revaluation of fixed assets	3	(700)	(700)	(1,400)	134,000
Unrealised gains on revaluation of investment properties	4	-	945,700	945,700	4,732,920
Net gains on stock market investments	5	-	36,889	36,889	32,686
<b>Net income on ordinary activities</b>		<b>143,574</b>	<b>976,544</b>	<b>1,120,118</b>	<b>5,142,701</b>
<i>Reconciliation of funds</i>					
<b>Funds brought forward</b>		<b>698,353</b>	<b>39,398,966</b>	<b>40,097,319</b>	<b>34,954,618</b>
<b>Funds carried forward</b>	<b>11</b>	<b>841,927</b>	<b>40,375,510</b>	<b>41,217,437</b>	<b>40,097,319</b>

The Charity has no recognised gains or losses other than the results for the year as set out above. All of the activities of the Charity are classed as continuing.

See note 14 for fund accounting comparative figures.

The notes on pages 15 to 29 form part of these financial statements.

# Mr Willats' Charity

## BALANCE SHEET

as at 31 December 2021

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	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	3	975,888	1,003,444
Freehold investment property	4	39,429,700	38,484,000
Other investments	5	632,508	600,964
		<hr/>	<hr/>
		41,038,096	40,088,408
<b>Current assets</b>			
Debtors	6	106,567	96,711
Cash at bank		920,522	694,367
		<hr/>	<hr/>
		1,027,089	791,078
<b>Creditors: amounts falling due within one year</b>	7	(596,415)	(572,084)
		<hr/>	<hr/>
<b>Net current (liabilities)/assets</b>		430,674	218,994
<b>Creditors: amounts falling due after more than one year</b>	8	(251,333)	(210,083)
		<hr/>	<hr/>
<b>Total net assets</b>		41,217,437	40,097,319
		<hr/> <hr/>	<hr/> <hr/>
<b>Funds:</b>			
<b>Endowment funds</b>		40,375,510	39,398,966
<b>Unrestricted funds</b>		841,927	698,353
		<hr/>	<hr/>
	11	41,217,437	40,097,319
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 15 to 29 form part of these financial statements.

The financial statements on pages 12 to 29 were approved and authorised for issue by the Board of Trustees on 26 October 2022 and signed on its behalf by:

*Roger Driver*

**Rev'd R Driver**  
**Trustee**

# Mr Willats' Charity

## CASH FLOW

as at 31 December 2021

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	Notes	2021 £	2020 £
<b>Net cash inflow/(outflow) from operating activities</b>	15	221,855	300,314
<b>Cash flows from investing activities:</b>			
Investment income received		6,009	5,430
<b>Cash flows from financing activities:</b>			
Expenditure on tangible fixed assets	3	(1,709)	(3,090)
<b>Change in cash and cash equivalents in the year</b>		<u>226,155</u>	<u>302,654</u>
<b>Cash and cash equivalents brought forward</b>		<u>694,367</u>	<u>391,713</u>
<b>Cash and cash equivalents carried forward</b>		<u><u>920,522</u></u>	<u><u>694,367</u></u>

The notes on pages 15 to 29 form part of these financial statements

# Mr Willats' Charity

## ACCOUNTING POLICIES (*continued*)

for the year ended 31 December 2021

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### **Basis of accounting**

The financial statements have been prepared under the historical cost convention as modified for investment assets (see below) and in accordance with the Charities Act 2011, the Financial Reporting Standard 102 (FRS102) and the requirements of the Charities Statement of Recommended Practice (FRS102) based thereon.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

The Charity is a public benefit entity as defined under FRS102. There are no material uncertainties affecting the ability of the Charity to continue as a going concern. Please refer to the section of the Trustees' Report entitled 'COVID-19', on page 3, for further comments relating to the impact of COVID-19 upon the Charity's going concern.

### **Fund structure**

The Charity has a permanent endowment that was established by Mr Willats when he created the Charity through the gifting of a significant number of properties to the Charity. The endowment funds are invested in perpetuity and the majority of those funds remain invested in properties that formed part of the original portfolio gifted by Mr Willats. The income arising on the endowment fund can be used for the general activities of the Charity and are, therefore, unrestricted funds.

Unrestricted income funds comprise those funds which the Charity is free to use for any purpose in furtherance of its charitable objects.

### **Income**

All income is recognised once the Charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of the income receivable can be measured reliably.

Rental income is recognised in the month that it falls due. Unpaid rent is accounted for in debtors and any rents received in advance are accounted for as deferred income.

Dividend income is recognised when it has been received by the Charity's fund manager.

### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. All expenses are either apportioned or directly allocated to the applicable expenditure headings. For more information on this allocation refer to 'allocation of support costs' within the accounting policies.

Grants for parish Guides are payments made to third parties in the furtherance of the charitable objects of the Charity. The majority of the grants awarded are multi-year grants and these are recognised in full when the commitment is initially made. Although there are certain conditions that could arise which would forfeit a beneficiary's right to future grants, habitually, most beneficiaries meet all required criteria. For this reason, it was agreed that the Charity would recognise future grant commitments.

### **Financial instruments**

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transactional price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the

# Mr Willats' Charity

## ACCOUNTING POLICIES *(continued)*

for the year ended 31 December 2021

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present value of the expected future receipts or payments, discounted at a market rate of interest.

### **Cash and cash equivalents**

Cash and cash equivalents include cash at bank and in hand and short-term deposits with a maturity date of three months or less.

### **Allocation of support costs**

Expenditure categorised as support costs are those costs that are not directly attributable to the applicable expenditure headings. They include the following costs:

- Audit and accountancy
- Staff costs
- Services of the Clerk

All of these costs have been apportioned to the applicable expenditure headings based on an analysis of time spent by the individuals and the professional advisors in relation to those areas of work during the year.

Other costs relating to the running of the office and governance are categorised as administration costs and these are also apportioned to the applicable expenditure headings based on an overall assessment of the total time spent in relation to those areas of work by the key management personnel.

Full details of the allocation of costs can be found in Note 2.

### **Costs of raising funds**

The costs of raising funds consist of let property repairs and maintenance and professional fees in respect of the properties. It also includes investment management fees in respect of the investments held.

### **Pension costs**

The Charity complies with the Government's requirements in relation to auto-enrolment and contributes to a fund that meets all necessary criteria. During the year the Charity made contributions to this defined contribution money purchase scheme. The assets of the scheme were held separately from those of the Charity in independently administered funds. The pension charge in the accounts represents employer's contributions payable by the Charity to this pension fund amount to £2,254 (2020: £2,477). There were no outstanding liabilities (2020: nil) in relation to this pension fund at the year end.

The Charity also made provision to make contributions to a private pension fund of one employee. Although agreed deductions have been taken from the employee's salary and accruals have been made in relation to the employer's contribution, the Charity has unable to transfer these funds to the employee's pension fund as the employee has failed to make the necessary arrangements to enable this to happen. The pension charge within the accounts represents employer's contributions payable to this pension fund amounted to £2,546 (2020: £1,667). The total of the employee's and employer's pension liability in relation to this pension fund amounted to £8,092 (2020: £3,000) at the year end.

# Mr Willats' Charity

## ACCOUNTING POLICIES *(continued)*

for the year ended 31 December 2021

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### **Tangible fixed assets**

Freehold property is recorded at market value and regularly revalued for that purpose.

Other fixed assets are initially recorded at cost and written off over their estimated useful life. The depreciation rates applied were as follows:

- Office equipment – 20% straight line
- Furniture and fittings – 20% straight line
- Website – 25% straight line

Capital purchases in excess of £500 are treated as fixed assets.

### **Critical accounting judgements and key sources of estimation uncertainty**

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Trustees to have most significant effect on amounts recognised in the financial statements:

- **Investment property valuations**

The Charity has a large property portfolio which is held for the purposes of rental income and, as such, is classified as investment properties. The fair value is assessed annually by the Trustees, further details on how the fair value is assessed is noted in note 4 of these accounts, 'Freehold Investment Properties'.

# Mr Willats' Charity

## ACCOUNTING POLICIES (*continued*)

for the year ended 31 December 2021

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### **Tangible fixed assets (continued)**

Freehold property is not depreciated because the Directors of the Charity have adopted a revaluation policy in relation to this asset. The property will be professionally revalued every 5 years and the value of the property will be adjusted as necessary following this revaluation. The next full professional revaluation of the properties held by the Charity is due in December 2022. A valuation review will be performed by the Board between professional revaluations. If there is some indication that impairment has occurred, the carrying value of the property would be reduced in accordance with that review. If there is an indication that the property is materially undervalued, an uplift will be recognised in accordance with the review.

### **Investment assets**

#### *Properties:*

The Charity's investment properties are carried forward at market value. In previous years one fifth of this property portfolio was professionally revalued on an annual basis and the property values carried forward would be adjusted, as necessary, to reflect these valuations. These valuations were undertaken by Carter Jonas, the last of which was at the end of December 2017. The Board has now agreed that a full professional revaluation of all the properties will be undertaken every 5 years and the value of the property will be adjusted as necessary following this revaluation. The next full professional revaluation of the properties held is, therefore, due in December 2022. A valuation review will be performed by the Board between professional revaluations. If there is an indication that impairment has occurred, the carrying value of the properties would be reduced in accordance with that review. If there is an indication that the properties are materially undervalued, an uplift will be recognised in accordance with the review.

Any cost of work carried out on modernisation and improvements between valuations is capitalised at cost.

#### *Other investments:*

These are shown in the balance sheet at middle market value.

### **Realised and unrealised gains and losses**

Gains and losses on the sale of property and investments in excess of the brought forward valuation are treated as realised gains or losses and are credited or debited to the Statement of Financial Activities.

Unrealised gains or losses arising on the revaluation of properties and investments are credited or debited to the Statement of Financial Activities.

**Mr Willats' Charity**  
**NOTES TO THE ACCOUNTS**  
for the year ended 31 December 2021

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<b>1 Grants for parish Guides</b>	2021	2020
	£	£
<b>Total grant commitments made in the year</b>	313,326	274,532
Cost allocation		
Services of the Clerk	29,745	25,133
Staff and consultancy costs	22,168	21,911
Audit, Accountancy & valuation fees	8,472	11,066
Administration costs	23,128	26,174
	<hr/>	<hr/>
Total costs as stated in the SOFA (see note 2)	396,839	358,816
	<hr/> <hr/>	<hr/> <hr/>
<b>Reconciliation of grant commitments</b>		
Commitment brought forward at the start of the year	458,958	410,966
Commitment made in the year:		
Grants for parish Guides	313,326	274,532
Payments made during the year:		
Grants for parish Guides	(275,201)	(226,540)
	<hr/>	<hr/>
Commitments carried forward at the end of the year	497,083	458,958
	<hr/> <hr/>	<hr/> <hr/>
Split of commitments carried forward:		
Grants for parish Guides due within one year (see note 7)	245,750	248,875
Grants for parish Guides due in greater than one year (see note 8)	251,333	210,083
	<hr/>	<hr/>
	497,083	458,958
	<hr/> <hr/>	<hr/> <hr/>

All grants were paid to institutions who act as intermediary grant recipients on the basis that the grants paid were to support the employment costs of specific individuals acting as Guides whilst fulfilling their ministry.

**Mr Willats' Charity**  
**NOTES TO THE ACCOUNTS** *(continued)*  
for the year ended 31 December 2021

**2 Total expenditure**

**2021**

	Services of Clerk £	Staff Costs £	Audit & Accounts Services £	Admin Costs £	Other Direct Costs £	Total £
Let property expenditure	29,745	41,168	15,734	34,693	614,959	736,299
Investment management fees	-	-	-	-	5,345	5,345
Grants for parish guides (see note 1)	29,745	22,168	8,472	23,128	313,326	396,839
	<u>59,490</u>	<u>63,336</u>	<u>24,206</u>	<u>57,821</u>	<u>933,630</u>	<u>1,138,483</u>

**2020**

	Services of Clerk £	Staff Costs £	Audit & Accounts Services £	Admin Costs £	Other Direct Costs £	Total £
Let property expenditure	25,133	40,691	20,552	39,262	475,673	601,311
Investment management fees	-	-	-	-	4,811	4,811
Grants for parish guides (see note 1)	25,133	21,911	11,066	26,174	274,532	358,816
	<u>50,266</u>	<u>62,602</u>	<u>31,618</u>	<u>65,436</u>	<u>755,016</u>	<u>964,938</u>

In analysing the total expenditure by the Charity some costs have been apportioned. The apportionments used are detailed below:

	Services of Clerk %	Staff Costs %	Audit & Accountancy %	Admin Costs %
<b>2021</b>				
Let property	50	65	65	60
Grants for parish Guides	50	35	35	40
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
<b>2020</b>				
Let property	50	65	65	60
Grants for parish Guides	50	35	35	40
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

**Mr Willats' Charity**  
**NOTES TO THE ACCOUNTS** *(continued)*  
for the year ended 31 December 2021

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**2 Total expenditure (continued)**

All remaining costs are shown under the heading 'other direct costs' and are charged directly to the three cost headings as appropriate.

Included within grant expenditure are grants payable of £313,326 (2020: £274,532) relating to individual grants payable to Guides. All grants are given for the same charitable purpose which is to assist parishes in the churches of England, Wales and Ireland by contributing towards the salaries/expenses of lay pastoral workers.

Total governance costs were £34,733 (2020 £40,070). These costs have been split proportionately between let property costs and grants for parish Guides.

**Auditor's remuneration**

Included within audit and accountancy services expenditure above, amounts payable to the Charity's auditor are detailed as follows: audit fees for the current year of £13,794 (2020: £12,245); no other fees (2020: £43) were paid to the auditors during the year.

**3 Tangible fixed assets**

**2021**

	Freehold Property £	Office Equipment £	Furniture & Fittings £	Website £	Total £
<b>Cost</b>					
At the start of the year	944,000	41,828	276,813	22,948	1,285,589
Additions	-	1,709	-	-	1,709
Revaluations	(1,400)	-	-	-	(1,400)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As the end of the year	942,600	43,537	276,813	22,948	1,285,898
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At the start of the year	-	31,695	238,976	11,474	282,145
Charge for the year	-	4,511	17,617	5,737	27,865
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As the end of the year	-	36,206	256,593	17,211	310,010
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
As the end of the year	942,600	7,331	20,220	5,737	975,888
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# Mr Willats' Charity

## NOTES TO THE ACCOUNTS (continued)

for the year ended 31 December 2021

### 3 Tangible fixed assets (continued)

#### 2020

	Freehold Property £	Office Equipment £	Furniture & Fittings £	Website £	Total £
<b>Cost</b>					
At the start of the year	810,000	38,738	276,813	22,948	1,148,499
Additions	-	3,090	-	-	3,090
Revaluations	134,000	-	-	-	134,000
	-----	-----	-----	-----	-----
As the end of the year	944,000	41,828	276,813	22,948	1,285,589
	-----	-----	-----	-----	-----
<b>Depreciation</b>					
At the start of the year	-	25,606	219,769	5,737	251,112
Charge for the year	-	6,089	19,207	5,737	31,033
	-----	-----	-----	-----	-----
As the end of the year	-	31,695	238,976	11,474	282,145
	-----	-----	-----	-----	-----
<b>Net book value</b>					
As the end of the year	944,000	10,133	37,837	11,474	1,003,444
	=====	=====	=====	=====	=====

The freehold property is not being depreciated as the Trustees have agreed to carry forward this property at current market value and, as such, this property will be professionally revalued at the end of December 2022 when the Charity's investment properties will also be revalued. An interim valuation review was performed by the Board between professional revaluations and the carrying value of the property was increased in accordance with that review.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the carrying amounts would have been approximately £810,000 (2020 - £810,000).

### 4 Freehold investment properties

#### 2021

	Commercial £	Residential £	Total £
Valuation at the start of the year	3,760,000	34,724,000	38,484,000
Improvements at cost during year	-	-	-
Revaluation of property during year	-	945,700	945,700
	-----	-----	-----
Valuation at the end of the year	3,760,000	35,669,700	39,429,700
	=====	=====	=====

# Mr Willats' Charity

## NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2021

### 4 Freehold investment properties (continued)

#### 2020

	Commercial £	Residential £	Total £
Valuation at the start of the year	3,760,000	29,991,180	33,751,080
Improvements at cost during year	-	-	-
Revaluation of property during year	-	4,732,920	4,732,920
	<hr/>	<hr/>	<hr/>
Valuation at the end of the year	3,760,000	34,724,000	38,484,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Charity's investment properties are carried forward at market value. In previous years one fifth of this property portfolio was professionally revalued on an annual basis and the property values carried forward would be adjusted, as necessary, to reflect these valuations. These valuations were undertaken by Carter Jonas, the last of which was at the end of December 2017. The Board has now agreed that a full professional revaluation of all the properties will be undertaken every 5 years and the value of the property will be adjusted as necessary following this revaluation. The next professional revaluation of the properties held is, therefore, due in December 2022. An interim valuation review has been performed by the Board between professional revaluations, and the carrying value of the properties was increased in accordance with that review.

The Trustees estimate that the market value of the freehold investment properties at 31 December 2021 is £39,429,700 (2020: £38,484,000).

### 5 Other investments

	2021 £	2020 £
Market value at the start of the year	600,964	573,089
Portfolio fees	(5,345)	(4,811)
Net gain	36,889	32,686
	<hr/>	<hr/>
Market value at the end of the year	632,508	600,964
	<hr/> <hr/>	<hr/> <hr/>
Historical cost at the end of the year	517,621	519,059
	<hr/> <hr/>	<hr/> <hr/>
The investments are held as follows:	2021 £	2020 £
Equities and convertible stocks	393,308	352,893
Gilts and other fixed interest stocks	144,642	104,941
Cash and cash equivalents	94,558	143,130
	<hr/>	<hr/>
	632,508	600,964
	<hr/> <hr/>	<hr/> <hr/>

**Mr Willats' Charity**  
 NOTES TO THE ACCOUNTS *(continued)*  
 for the year ended 31 December 2021

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**5 Other investments (continued)**

Analysis by geographical sector	2021 £	2020 £
Investment assets in the UK	171,091	227,364
Investment assets outside of the UK	461,417	373,600
	<u>632,508</u>	<u>600,964</u>

**6 Debtors**

	2021 £	2020 £
Rents receivable	18,028	24,800
Prepayments	88,539	71,911
	<u>106,567</u>	<u>96,711</u>

**7 Creditors: amounts falling due within one year**

	2021 £	2020 £
Rents invoiced in advance	39,723	59,048
Trade creditors	127,549	99,390
Accruals	29,668	34,862
Other creditors	153,725	129,909
Grants due to Parish Guides	245,750	248,875
	<u>596,415</u>	<u>572,084</u>

**Mr Willats' Charity**  
 NOTES TO THE ACCOUNTS *(continued)*  
 for the year ended 31 December 2021

<b>8</b>	<b>Creditors: amounts falling due after more than one year</b>	2021 £	2020 £
	Grants due to Parish Guides	251,333	210,083
<b>9</b>	<b>Staff costs</b>	2021 £	2020 £
	Salaries and social security	106,187	92,584
	Employer's NI	6,643	5,069
	Pension contributions	4,800	4,115
		117,630	101,768
	Average weekly number of employees during the year, calculated on an average headcount basis	3	3

No individual employed by the charity received remuneration in excess of £60,000 during the current or previous year.

The Key Management personnel of the Charity, as previously stated in the Trustees' Report, comprise of the Directors of the Corporate Trustee, the Clerk, the Property Manager and the Grants Administrator. The total salary and consultancy remuneration paid by the Charity to the Key Management personnel was £117,630 (2020: £112,868).

**10 Inter-fund loan**

The Charity holds significant endowment funds, the majority of which are invested in property. The Trustees believe that in order to safeguard the asset value and future income streams of the property portfolio it is necessary to maintain and improve the endowment properties. All endowment property improvements are added to the brought forward value of the property portfolio. The endowment funds do not receive any income and, therefore, only hold cash reserves if endowment assets have been sold, as such, the endowment fund does not usually hold sufficient cash reserves to finance the necessary property improvements. Historically, where the endowment funds have not been able to finance the full cost of property improvements, the shortfall is met by a fund transfer from the unrestricted funds. This has the immediate effect of reducing the unrestricted funds' reserves but the Trustees believe that the preservation of the property portfolio has resulted in higher future income generation for that fund.

In 2019 the total value of improvements to the property portfolio was £481,135. These costs were partly financed through the unspent cash reserves held by the endowment fund at the start of the year following a £400,000 draw down from the stock market portfolio in 2018. The unspent cash reserves brought forward from the previous year amounted to £246,137. The balance of costs, being £234,998 was financed from cash held within the unrestricted funds. The Trustees considered that due to insufficient free reserves within the unrestricted fund, the Charity was not in a position to transfer funds from unrestricted funds to endowment funds. Instead, it was agreed that the unrestricted funds would lend the cash shortfall to the endowment funds until such time as the endowment fund was in a position to repay the loan or the unrestricted funds were in a position to write off the loan.

# Mr Willats' Charity

## NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2021

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### 10 Inter-fund loan (continued)

No improvements have been made to any of the properties held by the endowment funds during the year so there has been no need to increase the amount lent from the unrestricted funds to the endowment funds and none of the assets held by the endowment fund have been realised in the year, so the endowment fund has not been able to repay this loan during the year. However, in 2020 the Trustees performed a desk top revaluation of the Charity's investment portfolio which included one property that is held by both the endowment and unrestricted fund. The entire value of this property's gain was incorrectly attributed to the endowment fund but £67,000 of the gain should have been attributed to the unrestricted funds. To correct this error, the Trustees have decided that this gain should be written back against the inter-fund loan. Therefore, the balance of the inter-fund loan has reduced from £234,998 at the start of the year to £167,998 at the end of the year.

The movements relating to the inter-fund loan are detailed below:

	2021 £	2020 £
Balance brought forward at the start of the year	234,998	234,998
Adjustment for unrealised gain on property revaluation previously incorrectly attributed to the endowment fund in prior year	(67,000)	-
	<u>167,998</u>	<u>234,998</u>

# Mr Willats' Charity

## NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2021

### 11 Analysis of net assets between funds

#### 2021

	Freehold Investment Property £	Other Investments £	Fixed Assets £	Inter-fund Loan £	Net Assets/ (Liabilities) £	Total £
Endowment funds	39,429,700	632,508	481,300	(167,998)	-	40,375,510
Unrestricted funds	-	-	494,588	167,998	179,341	841,927
	<u>39,429,700</u>	<u>632,508</u>	<u>975,888</u>	<u>-</u>	<u>179,341</u>	<u>41,217,437</u>

#### 2020

	Freehold Investment Property £	Other Investments £	Fixed Assets £	Inter-fund Loan £	Net Assets/ (Liabilities) £	Total £
Endowment funds	38,484,000	600,964	549,000	(234,998)	-	39,398,966
Unrestricted funds	-	-	454,444	234,998	8,911	698,353
	<u>38,484,000</u>	<u>600,964</u>	<u>1,003,444</u>	<u>-</u>	<u>8,911</u>	<u>40,097,319</u>

### 12 Related party transactions and Directors' expenses and remuneration

No related party transactions were entered into during the current or previous year.

During the year, no Director received any remuneration (2020: £nil) but expenses amounting to £194 (2020: £390) were claimed by a total of two Directors in relation to travel and accommodation costs.

### 13 Capital commitments

At both this year end and the previous year end, the Charity had made no commitment to any future capital expenditure.

Mr Willats' Charity  
 NOTES TO THE ACCOUNTS *(continued)*  
 for the year ended 31 December 2021

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14 Fund accounting comparative figures

2020

	Unrestricted Funds £	Endowment Funds £	Total 2020 £
<b>Income and endowments from:</b>			
Investment property income	1,202,603	-	1,202,603
Other investment income	5,430	-	5,430
	-----	-----	-----
<b>Total income</b>	1,208,033	-	1,208,033
	-----	-----	-----
<b>Expenditure on:</b>			
<i>Cost of raising funds:</i>			
Let property expenditure	601,311	-	601,311
Investment management fees	-	4,811	4,811
	-----	-----	-----
<i>Expenditure on charitable activities:</i>			
Grants for parish Guides	358,816	-	358,816
	-----	-----	-----
<b>Total expenditure</b>	960,127	4,811	964,938
	-----	-----	-----
Unrealised gains on revaluation of fixed assets	-	134,000	134,000
Unrealised gains on revaluation of investment properties	-	4,732,920	4,732,920
Net gains on stock market investments	-	32,686	32,686
	-----	-----	-----
<b>Net income on ordinary activities</b>	247,906	4,894,795	5,142,701
	-----	-----	-----
<i>Reconciliation of funds</i>			
<b>Funds brought forward</b>	450,447	34,504,171	34,954,618
	-----	-----	-----
<b>Funds carried forward</b>	698,353	39,398,966	40,097,319
	=====	=====	=====

# Mr Willats' Charity

NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2021

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## 15 Reconciliation of net movements in funds to net cash generated from operating activities

	2021	2020
	£	£
<b>Continuing activities</b>		
Net movement in funds	1,120,118	5,142,701
Deduct investment income	(6,009)	(5,430)
Add back depreciation of tangible fixed assets	27,865	31,033
Deduct gains on investments	(36,889)	(32,686)
Add back investment management fees	5,345	4,811
Decrease in debtors	(9,856)	10,411
Increase in creditors	65,581	16,394
Unrealised gain on revaluations of investment properties	(945,700)	(4,732,920)
Unrealised loss/(gain) on revaluation of property held in fixed assets	1,400	(134,000)
Net cash outflow from operating activities	<u>221,855</u>	<u>300,314</u>

The following pages do not form part of the statutory financial statements

Mr Willats' Charity  
 INVESTMENT PROPERTY  
 for the year ended 31 December 2021

	2021	2020
	£	£
PROPERTY INCOME		
Rents receivable for the year	1,268,675	1,198,276
Other property income	2,728	4,327
	<hr/>	<hr/>
Total rental income	1,271,403	1,202,603
	<hr/>	<hr/>
DIRECT LET PROPERTY COSTS		
Property repairs and maintenance	372,109	183,139
Insurance	51,740	50,357
Legal and professional fees	16,834	38,779
Residential and commercial agents' fees	3,960	21,458
Surveyors fees	66,385	58,583
Electricity, gas and water	6,239	7,172
Rents receivable written off as irrecoverable	1,243	18,122
Council tax	9,957	8,124
Cleaning	47,575	42,139
Other property costs	21,300	28,594
Depreciation	17,617	19,206
	<hr/>	<hr/>
	614,959	475,673
	<hr/>	<hr/>
APPORTIONED COSTS		
Services of Clerk	29,745	25,133
Staffing and consultancy costs	41,168	40,691
Audit and accountancy services	15,734	20,552
Administration costs	34,693	39,262
	<hr/>	<hr/>
	121,340	125,638
	<hr/>	<hr/>
TOTAL COSTS	736,299	601,311
	<hr/>	<hr/>
NET RENTAL INCOME	535,104	601,292
	<hr/> <hr/>	<hr/> <hr/>

Mr Willats' Charity  
ADMINISTRATION  
for the year ended 31 December 2021

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ADMINISTRATION COSTS	2021 £	2020 £
Legal and professional fees	3,607	6,926
Computer costs	17,628	15,848
Publication and memberships	1,833	3,927
Other office costs and sundries	5,475	9,445
Insurance	10,230	9,042
Telephone, postage and stationery	4,302	4,619
Website costs	3,202	2,520
Depreciation	10,248	11,826
Bank charges	1,102	893
Trustees' expenses and meeting costs	194	390
	<hr/>	<hr/>
TOTAL ADMINISTRATION COSTS	57,821	65,436
	<hr/> <hr/>	<hr/> <hr/>

**MR WILLATS' CHARITY**

England & Wales - Charity number 202269

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# Accounts

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# THE WILLATS TRUST

## REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2020

Charity no: 202269

# Mr Willats' Charity

## LEGAL AND ADMINISTRATIVE INFORMATION

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### **Governing document and constitution**

The Charity was set up under an Indenture dated 13 November 1858 by Mr William Willats. Mr Willats' Corporate Trustee Ltd (MWCTL) is the sole Trustee of Mr Willats' Charity. The Charity has the working title of 'The Willats Trust'. The individuals that served as Directors to the Corporate Trustee during the year are detailed below:

### **Directors of the Corporate Trustee**

Mr R Brown	Mr P LeRoy
Mr P V Lindon (Chairman)	The Rev. R Driver (appointed 15 <sup>th</sup> December 2020)
The Rev. D Woodall (Retired 13 <sup>th</sup> April 2021)	Mr T Friend (appointed 15 <sup>th</sup> April 2021)
A Noyce (resigned 1 March 2020)	Dr M Ifode-Blease

All appointments and resignations during the year or up to the time of the signing of these accounts have been noted.

### **Clerk and Receiver to the Corporate Trustee and its Directors**

Mr Q T S Elston

### **Property Manager**

Mrs E L Palfreyman

### **Grants Administrator**

Miss K. Harris (Until 11<sup>th</sup> September 2020)  
The Rev. Méri Schoeman (From 8<sup>th</sup> September 2020)

### **Principal office**

PO Box 3883  
Bath BA1 0AQ

### **Web site**

[www.willatstrust.org](http://www.willatstrust.org)

### **Bankers**

C Hoare & Co  
37 Fleet Street  
London EC4P 4DQ

National Westminster Bank plc  
39 Milsom Street  
Bath BA1 1DS

### **Auditors**

Saffery Champness  
St Catherine's Court  
Berkeley Place  
Bristol  
BS8 1BQ

### **Solicitors**

Thrings  
2 Queen Square  
Bath BA1 2HQ

Royds Withy King  
5-6 Northumberland Buildings  
Queen Square  
Bath BA1 2JE

Bates Wells  
10 Queen Street Place  
London EC4R 1BE

### **Investment managers**

Cazenove Capital  
1 London Wall Place  
London EC2Y 5AU

# Mr Willats' Charity

## TRUSTEES' REPORT

### for the year ended 31 December 2019

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#### OBJECTIVES AND ACTIVITIES

The Trustees continued to pursue the Charity's object of assisting churches and Christian charities in England and in Wales by contributing towards the salary of lay pastoral workers ("Guides") who qualify for appointment as "Poor Man's Guides to Eternal Life", this being the terminology used by the Founder in 1858.

#### ORGANISATIONAL STRUCTURE

The Charity is governed by a sole 'Corporate Trustee' entitled Mr Willats Corporate Trustee Limited (MWCTL). The Directors of the Corporate Trustee are the Trustees of the Charity.

The Board of Directors ("the Board") has delegated the day to day running of the Charity to its Clerk & Receiver ("Clerk"), to the Property Manager and to the Grants Administrator, who are employees of the Charity. They are supported in their roles by specialist professional advisors who provide services to the Charity as and when they are needed.

The Board meets regularly to consider the business of the Charity including the consideration of applications for grants and to receive reports from the Guides, the Clerk & Receiver, the Property Manager, the Grants Administrator and the Charity's professional advisors.

#### APPOINTMENT OF DIRECTORS TO THE CORPORATE TRUSTEE

The Directors who have served during the year, and since the year end, are set out on page 1. Directors are appointed by the existing Board.

#### DIRECTORS' INDUCTION AND TRAINING

New Directors undergo an induction scheme to brief them on all the work of the Charity and their legal obligations under both charity and company law. Directors are encouraged to attend appropriate external training events where these facilitate the undertaking of their role. In addition, Directors are kept up to date with charity related matters through the forwarding of regular relevant publications, reports and advice from their Clerk and other staff of the Charity, together with their professional advisors.

#### PAY POLICY FOR KEY MANAGEMENT STAFF

The Directors consider that the Board, the Clerk, the Property Manager and the Grants Administrator are the *Key Management Personnel* of the Charity in charge of directing and controlling, running and operating the Charity on a day to day basis. The Directors give their time freely and no Director received remuneration in the year. Until 31<sup>st</sup> March 2020, the Clerk was paid by the Charity as a consultant. From 1<sup>st</sup> April 2020 the Clerk was employed by the Charity and he, the Property Manager and Grants Administrator are paid by the Charity as employees.

The pay for the Clerk, Property Manager and Grants Administrator are reviewed by the Board annually. The salaries of the employees are normally increased in accordance with average earnings and, where appropriate, with regard to additional duties and responsibilities undertaken within the year. Increases in consultancy fees paid to the Clerk were agreed upon following a proposal to the Board from the Clerk.

#### RELATED PARTIES

None of the Directors receive remuneration from their work with the Charity. The Charity does repay expenses incurred by the Directors during the fulfilment of their role as Directors. In addition, the Charity provides some Directors with iPads or laptops to enable the Directors to access Board papers through an online portal hosted by *DirectorPoint*. In addition, the Board accesses and reviews applications for grants and six-monthly reports from guides through an online portal hosted by *Wizehive*. These online portals have reduced the need for the papers, applications and reports to be printed, copied and sent to each Director for Board meetings. This has thus reduced administration time and costs. Further details connected to transactions with related parties can be found in note 12.

# Mr Willats' Charity

## TRUSTEES' REPORT (*continued*)

for the year ended 31 December 2020

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### PUBLIC BENEFIT

The Trustees are aware of the provisions of the Charities Act 2011 concerning public benefit, the guidance published by the Charity Commission on this subject and the obligation to report on ways in which they believe Mr Willats' Charity meets the public benefit requirements established by the Act. Fuller details of the Charity's objectives and activities undertaken in support of these objectives will be found in other sections of this report. The Board believes that the Charity's grant distributions and associated activities benefit society through the funding of costs relating to Guides who, in order to comply to the grant criteria, must meet a specified amount of direct contact time with those the Charity seeks to benefit who are the 'lowest and poorest members of society'. Through their work the Guides are not only preaching the Gospel but also providing support and assistance to those in need.

### GRANT MAKING POLICY

Whilst the expectation of the Charity is that the predominance of the Guide's work must be with their 'client group', the Board recognises that today the duties of a lay worker in a church or charity will often include some administrative work. The Board expects, however, that if appointed as a Guide, this aspect of their work must be minimal.

All grants are awarded subject to finances permitting and the Board reserves the right to withdraw a grant at any time without notice. All new grants are awarded for a maximum period of three years. At the expiry of the three years, a church or Christian organisation who has sponsored the application may not make a further application in respect of the same person, within 12 months of the previous grant expiring.

All grants are reviewed by the Board twice a year to monitor whether each Guide continues to fulfil the requirements of the Charity. Applications for grants will only be considered by the Directors if they are in receipt of correctly completed application forms.

There has been a continued emphasis on making grants to churches and Christian organisations (who are registered charities) who minister to the "*lowest and poorest members of society*". The Board continues to keep under review the Charity's grant making activities and, in this regard, see additional comments made by the Board under the heading 'Future Plans'.

### RISK MANAGEMENT

The Board considers that the principal risks faced by the Charity relate to its obligations to its tenants and to carrying out the aims of its Founder.

The Charity carries a risk in relation to third party liability to ensure the health and safety of any tenant residing within its properties. To mitigate this risk, the Charity employ the services of professional surveyors who regularly visit and assess all residential lets. The Charity prides itself on maintaining the buildings held within its property portfolio to a high standard with a view to not only providing tenants with high quality accommodation but also ensuring their safety and acting as a witness to the faith of the Founder. The Charity's surveyors, the Charity's Property Manager and the Clerk meet regularly to discuss the property portfolio and review issues arising and agree action plans. The Charity's Clerk, staff and advisors seek to ensure that the Charity is compliant with all relevant landlord legislation.

The Board has also identified that the Charity faces risks in relation to ineffective grant making that fails to meet the original expectations of the Founder. Mr Willats established the Charity to contribute to the salary and expenses of Christian lay pastoral workers (Guides) working with the 'lowest and poorest' in society. To ensure both compliance with these aims, the Board has the advice and support of the Clerk and the Grants Administrator to help the Charity in its desire to ensure effective grant making. Part of the remit of the Grants Administrator is also to focus on improving the public awareness of the Charity to ensure applications are received from all areas of need rather than localised pockets where awareness has spread purely through word of mouth.

# Mr Willats' Charity

## TRUSTEES' REPORT (*continued*)

### for the year ended 31 December 2020

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#### ACHIEVEMENTS AND PERFORMANCE

As in the previous year, the Board sets a budget at the start of the year with the intention of ensuring that the unrestricted funds maximise income from investments and minimise its direct and indirect costs. The Board is pleased to report that the Charity's investment income, both from properties and other investments, met the budgeted expectation with income of £1,208,033 achieved in the year (2019: £1,205,431). Although this income was only slightly more than that achieved in 2019, the Trustees are pleased that the investment income was relatively unaffected by the COVID-19 pandemic.

During the year the Board awarded grants to Guides of £274,532 (2019: £348,353). See note 1 for more details.

The Board continued to maintain and improve its freehold properties to ensure that they could be let at a market rent to provide an optimum return on capital. Although the Charity continued to spend money on essential property maintenance, it did not spend any money on the refurbishment of investment properties (2019: £481,135) as the Trustees felt that it was prudent to limit the outgoings of the Charity due to the uncertainty arising from the COVID-19 pandemic.

#### FINANCIAL REVIEW

The Charity's work is entirely reliant on income and investment returns from its endowment fund which is, predominantly, invested in residential properties in Bath.

The Charity made an unrestricted fund surplus of £247,906 (2019: £85,203) in the year. This surplus is higher than last year's and is also higher than the budgeted surplus for the year. The reasons for the increase in the surplus for this year arises from the fact that the Trustees took the decision to hold back on non-essential expenditure, particularly in relation to the refurbishment and repairs of its investment properties, due to the financial uncertainties arising from the COVID-19 pandemic. It is anticipated that there will be an increase in costs in future years as the Charity catches up with this deferred expenditure.

The unrestricted funds brought forward at the start of the year were £450,447 and the surplus of £247,906 for the year was added to this figure giving a total unrestricted fund value of £698,353 carried forward at the year end.

The endowment funds brought forward at the start of the year were £34,504,171. During the year the endowment fund made a surplus of £4,894,795, in relation to realised and unrealised gains on stock market investments and revaluation of properties, which was added to this fund giving a total endowment fund of £39,398,966 carried forward at the year end.

The total reserves carried forward at the year-end amounted to £40,097,319 (2019: £34,954,618).

#### INVESTMENT POLICY AND PERFORMANCE

The investment powers of the Board are governed by the Trust Deed, as amended by relevant legislation. The Charity holds a small stock market investment portfolio and the Board seeks to obtain, through its investment manager, a balance in income return and capital growth from the Charity's quoted stocks and shares. During the year the stock portfolio was managed by Cazenove.

In light of benchmark indicators, the Board is satisfied with the performance of the stock portfolio during the year which resulted in the portfolio achieving realised and unrealised gains of £32,686 (2019: gain of £58,452). Dividend income was in line with expectations.

The majority of the Charity's investment assets are held as freehold property. In previous years one fifth of this property portfolio was professionally revalued on an annual basis and the property values carried forward would then be adjusted, as necessary, to reflect these valuations. These valuations were undertaken by Carter Jonas, the last of which was at the end of December 2017. The Board then agreed that a full professional revaluation of all the properties will only need to be undertaken every 5 years and the value of the property will be adjusted, as necessary, following this revaluation. The next full professional revaluation of the properties held is, therefore, due in December 2022. The Board has reviewed the full property portfolio and their on-going carrying values and, giving particular consideration to commercial properties in consideration of the economic impacts of COVID-19, do not consider that any impairment is deemed to have occurred in relation to the freehold properties. If the Board

# Mr Willats' Charity

## TRUSTEES' REPORT (*continued*)

### for the year ended 31 December 2020

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did have reason to believe that an investment had incurred a significant impairment during the year, the value of the properties would be adjusted to reflect this impairment. Following the board's review, an uplift of £4,732,920 has been recognised on the residential properties this year. No uplift or impairment has been recognised for the commercial properties this year.

The Board is satisfied that the property values recorded in these accounts are a true reflection of their current market value and are confident that freehold property values will continue to rise in the long-term future and, therefore, continue to be a worthwhile investment for the Charity. The Board continues to seek to maintain and improve the Charity's property portfolio through a planned program of repair and refurbishment to ensure that it maximises the income potential of the assets held.

#### RESERVES POLICY

The Trustees have agreed that they will aim to maintain free unrestricted funds at a level that equates to approximately three months of its expenditure. This decision was reached on the basis that this level of reserves will provide sufficient funds for the Charity to meet its obligations to staff, contractors and beneficiaries at any given point in time. The Trustees consider that this level of free reserves is sufficient given the regular and reliable income receivable from the rental of let properties.

Based on the expenditure in 2020, costs for three months amount to approximately £241k. As previously stated, the balance held in unrestricted funds at the end of the year is £698,353 and the fixed assets held by unrestricted funds are £454,444 (see note 11), therefore, the Charity holds free reserves of £243,909 so has met the target set out in its reserves policy. This is a pleasing reversal of last year's position where the free reserves were negative. This change has been brought about through the Charity making a larger than usual surplus in the year as income remained at a similar level to previous years but expenditure was deliberately suppressed.

#### COVID-19

COVID-19 was declared a pandemic on 11 March 2020. The Trustees agree that the economic and social changes arising in the wake of this disease will have an impact upon the Charity both now and in its longer-term future.

#### **The day to day operations of the Charity**

The offices of the Charity continued to remain open throughout the year, but the Trustees were mindful to ensure that the Charity's staff and professional advisors comply to Government guidance wherever and whenever possible. The Charity changed its working practices to ensure that social distancing was maintained and, to facilitate this, staff work remotely where and when possible. The Charity's Property Manager did, however, remain working in the office throughout the year. Both the Clerk and the Grants Administrator returned to working in the Charity's office in August.

The Guides - The Charity contacted the Guides to enquire about their own wellbeing and working situations. Many Guides were furloughed by their churches/charities. Where Guides were unable to fulfil their duties due to the Government restrictions imposed as a result of the pandemic, the Charity deferred any grant payments arising until the Guides were able to resume their work. Where the Charity took this step, it will extend the Guide's grant period to cover and equate to the period of any deferral (if the Guide's employment continues beyond the initial grant period). The Trustees are pleased to report that a number of Guides were able to continue working and thank God and those Guides for the initiatives shown and the blessings that accrued as a result of their work.

Residential Tenants - Similarly, the Charity contacted its residential tenants to request that they notify the Charity's staff if they were unwell or having to self-isolate. This allowed the staff to assess whether routine maintenance could be performed within the properties and if so under what conditions. In doing this the Charity was following the advice within 'Government Guidance for Landlords'. Where tenants showed that they were experiencing hardship in their financial circumstances which has been caused by the pandemic, the Charity agreed to defer rent payments for a fixed period. As part of the agreement with the tenant, future payments of rent were increased for a fixed period to repay any arrears that have accrued. The Trustees are pleased to report that there are no significant outstanding arrears due from its residential tenants.

Commercial Tenants - The same cannot be said in respect of one of the Charity's commercial tenants which built up substantial rental arrears. The Trustees expect that during the ongoing renewal discussions and negotiations that this matter will be addressed.

# Mr Willats' Charity

## TRUSTEES' REPORT (*continued*)

for the year ended 31 December 2020

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Student Tenants - The Charity has let a number of its properties to students of the two universities in Bath. It also has a close working partnership with Norland College and the Charity houses a number of their first-year students. After the pandemic ensued, it was announced by the universities and the College that they intended to undertake the remainder of teaching in the academic year 2020/2021 remotely. The Trustees closely monitored the situation and providentially, the impact of those announcements upon the student occupation was minimal, with most students choosing to stay in their accommodation. Thus, there was no adverse impact upon the Charity or its income.

### **Governance**

Since Government restrictions were imposed, the Trustees' Board Meetings have been held on-line via *Zoom*. The last physical meeting of the Board took place in March 2020 in Sheffield. The Board continued to meet online throughout 2020. The Board are mindful of God's providence and grace in that for some time, they have been used to utilising an on-line portal for the distribution of Board papers and a separate on-line portal for the assessment of grant applications and reports from Guides. Thus, the only change to the Trustees previous practice for their meetings was to use the *Zoom* video-conferencing. The Board meetings in early 2021 continued to take place via *Zoom* and the Trustees hope to revert to in-person/face-to-face before the end of 2021.

### **Economic impact on going concern**

Whilst it was clear that the COVID-19 pandemic was likely to have a detrimental impact upon the economy, it remains uncertain whether an economic downturn will have a significant detrimental impact upon the income streams and assets of the Charity. The Charity holds investment property with a current market value of approximately £38.5m, of which £34.7m is invested in residential property and £3.8m in commercial property. The Charity will continue to take guidance from its professional advisors when assessing the longer-term impact of the pandemic upon its property values but presently, the Trustees do not consider that any impairment reviews are necessary in relation to the investment property that the Charity holds.

The Trustees have also assumed that all the Charity's tenants will continue to meet their rental obligations according to the terms of their leases. However, some assumptions have been made allowing for increases in void periods between tenant changeovers, increases in bad debts and, in exceptional cases, the granting of rental holidays. Any such changes to income will have an impact on the Charity's ability to pay for new grants from the unrestricted funds. Therefore, the following changes were made:

- Payment of Grants - Grants are being paid to the Guides on a monthly basis, rather than two six monthly payments in advance. This has the effect of easing pressure on the Charity's cash flow and also enabled payments to be deferred as noted above. Feedback from the Guides and their churches/charities to this change was positively welcomed since it aided their budgeting. Thus, the change to monthly payments, although increasing the administrative workload of staff, will continue for the foreseeable future.
- Application process - Whilst the Trustees agreed, in principle, to new grant commitments during a meeting held in March 2020, it was agreed that the grant payments should be deferred until the impact of COVID-19 upon both the Charity's finances and the Guides' work could be more confidently assessed. The assessment of grant applications and the making of grants has now resumed.
- Property - Property refurbishments and other, non-essential work was put on hold pending the easing of the Government restrictions and when the economic impact of the pandemic could be assessed. All essential maintenance work continued to be performed as directed within 'Government Guidelines for Landlords'.

### **FUTURE PLANS**

#### **The Charity's Properties**

The Charity owns a number of substantial Georgian listed properties in a UNESCO World Heritage City. Thus, these properties require considerate, careful and sympathetic planned maintenance and refurbishment. The properties continue to provide a healthy income for the Charity. There remain some residential properties that are in need of refurbishment and modernisation before they will be in a position to be let at their full market rent, but progress continues to reduce their number. In addition, a few of the residential properties continue to be let to 'Protected Tenants' who enjoy a high degree of statutory protection and a restriction upon the rent that can be levied. The Board expects that over the coming years the number of such tenants will continue to decline.

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# Mr Willats' Charity

## TRUSTEES' REPORT (*continued*)

for the year ended 31 December 2020

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When considering the need for and any plans for refurbishment of a property, the Board will base its decisions upon information relating to the current market value, anticipated costs of refurbishment and rental income arising thereafter of each of the relevant properties, in essence, the return on investment. The Board is well served by professional advice in this regard and plan to continue to enhance the Charity's existing properties as and when necessary and possible with a view to maximising the Charity's rental income and grant expenditure.

The letting and rent reviews of the Charity's residential properties are handled by the Trustees' Property Manager. The properties are advertised on the Charity's web site and through external letting web sites. This has proved very successful. The Trustees are pleased to report that the vacancy rate and turnover periods are very low. Moreover, the Charity has many repeat tenants. Providentially and through the good stewardship of the Trustees and the Charity's staff, the Charity has a reputation of being a good landlord. Recommendations are often made by current and former tenants which results in many of the Charity's properties being let through word-of-mouth.

### **The Charity's Grant Making Activities**

The Trustees see strategic partnerships, with churches and charities wishing to appoint people who undertake work which fulfil the founder's intentions, as being key to ensuring that the Charity makes most effective use of its grants. Thus, it will continue to seek such partnerships.

During the year, the Grants Administrator undertook online visits to a selected number of Guides. The Board saw this as a positive step towards ensuring that it maintains an up-to-date understanding of the work that is undertaken in churches/charities that the Charity supports. In addition, the information garnered will help the Board in formulating any future grant making strategy. Thus, it is planned that the Grants Administrator will undertake at least one programme of visits each year.

Following the appointment of the Rev. Méri Schoeman as Grants Administrator, the Charity increased its online engagement and support of its Guides in response to the ongoing impact of the pandemic. The Rev. Schoeman used regular social media posts and *Zoom* to meet with the Charity's Guides. The feedback the Trustees received was that the Charity's Guides very much appreciated the contact and support they received. Moreover, the Rev. Schoeman's regular reports kept the Trustees in touch with how those whom the Charity supported were responding to the pandemic and its impact.

The Trustees were keen to facilitate the re-introduction of face-to-face visits to Guides and subject to government guidelines and restrictions hoped that this would recommence in 2021.

### GOVERNANCE

The Board identified the need to appoint additional members who had experience of and interest in the work of the Charity. The Rev. Roger Driver was appointed in December 2020 and Mr. Tim Friend (a former Guide) was appointed in April 2021.

The Rev. David Woodall retired from the Board in April 2021 after serving as a Trustee for nearly ten years. The Trustees would like to record their thanks to Rev. Woodall for his calm, wise and unstinting support of the Charity and its aims throughout his period of service.

The Trustees having regard to the *Charity Governance Code* and in particular Principle 6 of the *Code* (Equality, Diversity & Inclusion), intend in 2021 to look at how they can enhance their approach to supporting this Principle in its own practice and governance.

In March 2020 the Trustees met at the headquarters of the Church Army in Sheffield. The principal reason for this decision was to enable the Trustees to receive presentations, testimonies and reports from a selection of Guides in the northern region. Subject to any continued restrictions resultant upon the pandemic, the Trustees expect to repeat this step in the coming years and meet at least once per annum in locations outside of Bath.

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# Mr Willats' Charity

## STATEMENT OF THE CORPORATE TRUSTEE'S RESPONSIBILITIES

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The Board is 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 and Wales requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 charity will continue in business.

The Board are responsible for keeping sufficient accounting records that 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 Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the Trust Deed. It is 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.

The Board is responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board on 7<sup>th</sup> October

Signed by order of the Board:

DocuSigned by:

*Paul Lindon*

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**P.V.Lindon**  
**Chairman & Director**

DocuSigned by:

*Richard Brown*

483A175805054F1...

**R.C.Brown**  
**Director**

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MR WILLATS' CHARITY

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### OPINION

We have audited the financial statements of Mr Willats' Charity for the year ended 31 December 2020 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 Charity's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### BASIS OF 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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.

### OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MR WILLATS' CHARITY (CONTINUED)

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### 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 Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### RESPONSIBILITIES OF THE TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the Trustees 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 Charity'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 charity or to cease operations, or have no realistic alternative but to do so.

### AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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 auditors' 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the Charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MR WILLATS' CHARITY (CONTINUED)

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### Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**DocuSigned by:**



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**Michael Strong (Senior Statutory Auditor)**  
**For and on behalf of Saffery Champness LLP**  
Chartered Accountants and Statutory Auditors  
St Catherine's Court  
Berkeley Place  
Bristol  
BS8 1BQ

Date: 10/11/2021

Saffery Champness LLP is eligible to act as an auditor under the terms of Section 1212 of the Companies Act 2006.

# Mr Willats' Charity

## STATEMENT OF FINANCIAL ACTIVITIES

### for the year ended 31 December 2020

	Note	Unrestricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
<b>Income and endowments from:</b>					
Investment property income		1,202,603	-	1,202,603	1,195,929
Other investment income		5,430	-	5,430	9,502
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total income</b>		1,208,033	-	1,208,033	1,205,431
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditure on:</b>					
<i>Cost of raising funds:</i>					
Let property expenditure	2	601,311	-	601,311	693,402
Investment management fees	2	-	4,811	4,811	4,847
<i>Expenditure on charitable activities:</i>					
Grants for parish Guides	1,2	358,816	-	358,816	426,826
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total expenditure</b>	2	960,127	4,811	964,938	1,125,075
		<hr/>	<hr/>	<hr/>	<hr/>
Unrealised gains on revaluation of fixed assets	3	-	134,000	134,000	-
Unrealised gains on revaluation of investment properties	4	-	4,732,920	4,732,920	-
Net gains on stock market investments	5	-	32,686	32,686	58,452
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Net income on ordinary activities</b>		247,906	4,894,795	5,142,701	138,808
<i>Reconciliation of funds</i>					
<b>Funds brought forward</b>		450,447	34,504,171	34,954,618	34,815,810
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Funds carried forward</b>	11	698,353	39,398,966	40,097,319	34,954,618
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Charity has no recognised gains or losses other than the results for the year as set out above. All of the activities of the Charity are classed as continuing.

See note 14 for fund accounting comparative figures.

The notes on pages 15 to 28 form part of these financial statements.

# Mr Willats' Charity

## BALANCE SHEET

as at 31 December 2020

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	3	1,003,444	897,387
Freehold investment property	4	38,484,000	33,751,080
Other investments	5	600,964	573,089
		<u>40,088,408</u>	<u>35,221,556</u>
<b>Current assets</b>			
Debtors	6	96,711	107,121
Cash at bank		694,367	391,713
		<u>791,078</u>	<u>498,834</u>
<b>Creditors: amounts falling due within one year</b>	7	(572,084)	(595,023)
<b>Net current (liabilities)/assets</b>		<u>218,994</u>	<u>(96,189)</u>
<b>Creditors: amounts falling due after more than one year</b>	8	(210,083)	(170,749)
<b>Total net assets</b>		<u><u>40,097,319</u></u>	<u><u>34,954,618</u></u>
<b>Funds:</b>			
<b>Endowment funds</b>		39,398,966	34,504,171
<b>Unrestricted funds</b>		698,353	450,447
	11	<u><u>40,097,319</u></u>	<u><u>34,954,618</u></u>

The notes on pages 15 to 28 form part of these financial statements.

The financial statements on pages 12 to 28 were approved and authorised for issue by the Board of Trustees on.....  
and signed on its behalf by:

DocuSigned by:

*Paul Lindon*

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P.V.Lindon  
Chairman & Director

DocuSigned by:

*Richard Brown*

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R.C.Brown  
Director

# Mr Willats' Charity

## CASH FLOW

as at 31 December 2020

	Notes	2020 £	2019 £
<b>Net cash inflow/(outflow) from operating activities</b>	15	300,314	154,448
<b>Cash flows from investing activities:</b>			
Investment income received		5,430	9,502
Expenditure on freehold investment property	4	-	(481,135)
<b>Cash flows from financing activities:</b>			
Expenditure on tangible fixed assets	3	(3,090)	(58,629)
<b>Change in cash and cash equivalents in the year</b>		<u>302,654</u>	<u>(375,814)</u>
<b>Cash and cash equivalents brought forward</b>		391,713	767,527
<b>Cash and cash equivalents carried forward</b>		<u><u>694,367</u></u>	<u><u>391,713</u></u>

The notes on pages 15 to 28 form part of these financial statements

# Mr Willats' Charity

## ACCOUNTING POLICIES (*continued*)

### for the year ended 31 December 2020

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#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention as modified for investment assets (see below) and in accordance with the Charities Act 2011, the Financial Reporting Standard 102 (FRS102) and the requirements of the Charities Statement of Recommended Practice (FRS102) based thereon.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The Charity is a public benefit entity as defined under FRS102. There are no material uncertainties affecting the ability of the Charity to continue as a going concern. Please refer to the section of the Trustees' Report entitled 'COVID-19', on page 5, for further comments relating to the impact of COVID-19 upon the Charity's going concern.

#### **Fund structure**

The Charity has a permanent endowment that was established by Mr Willats when he created the Charity through the gifting of a significant number of properties to the Charity. The endowment funds are invested in perpetuity and the majority of those funds remain invested in properties that formed part of the original portfolio gifted by Mr Willats. The income arising on the endowment fund can be used for the general activities of the Charity and are, therefore, unrestricted funds.

Unrestricted income funds comprise those funds which the Charity is free to use for any purpose in furtherance of its charitable objects.

#### **Income**

All income is recognised once the Charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of the income receivable can be measured reliably.

Rental income is recognised in the month that it falls due. Unpaid rent is accounted for in debtors and any rents received in advance are accounted for as deferred income.

Dividend income is recognised when it has been received by the Charity's fund manager.

#### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. All expenses are either apportioned or directly allocated to the applicable expenditure headings. For more information on this allocation refer to 'allocation of support costs' within the accounting policies.

Grants for parish Guides are payments made to third parties in the furtherance of the charitable objects of the Charity. The majority of the grants awarded are multi-year grants and these are recognised in full when the commitment is initially made. Although there are certain conditions that could arise which would forfeit a beneficiary's right to future grants, habitually, most beneficiaries meet all required criteria. For this reason, it was agreed that the Charity would recognise future grant commitments.

#### **Financial instruments**

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transactional price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payments, discounted at a market rate of interest.

# Mr Willats' Charity

## ACCOUNTING POLICIES *(continued)*

### for the year ended 31 December 2020

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#### **Cash and cash equivalents**

Cash and cash equivalents include cash at bank and in hand and short-term deposits with a maturity date of three months or less.

#### **Allocation of support costs**

Expenditure categorised as support costs are those costs that are not directly attributable to the applicable expenditure headings. They include the following costs:

- Audit and accountancy
- Staff costs
- Services of the Clerk

All of these costs have been apportioned to the applicable expenditure headings based on an analysis of time spent by the individuals and the professional advisors in relation to those areas of work during the year.

Other costs relating to the running of the office and governance are categorised as administration costs and these are also apportioned to the applicable expenditure headings based on an overall assessment of the total time spent in relation to those areas of work by the key management personnel.

Full details of the allocation of costs can be found in Note 2.

#### **Costs of raising funds**

The costs of raising funds consist of let property repairs and maintenance and professional fees in respect of the properties. It also includes investment management fees in respect of the investments held.

#### **Pension costs**

The Charity complies with the Government's requirements in relation to auto-enrolment and contributes to a fund that meets all necessary criteria. During the year the Charity made contributions to this defined contribution money purchase scheme. The assets of the scheme were held separately from those of the Charity in independently administered funds. The pension charge in the accounts represents contributions payable by the Charity to the pension fund which amounts to £4,115 (2020: £2,862).

#### **Tangible fixed assets**

Freehold property is recorded at market value and regularly revalued for that purpose.

Other fixed assets are initially recorded at cost and written off over their estimated useful life. The depreciation rates applied were as follows:

- Office equipment – 20% straight line
- Furniture and fittings – 20% straight line
- Website – 25% straight line

Capital purchases in excess of £500 are treated as fixed assets.

# Mr Willats' Charity

## ACCOUNTING POLICIES (*continued*)

### for the year ended 31 December 2020

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#### **Tangible fixed assets (continued)**

Freehold property is not depreciated because the Directors of the Charity have adopted a revaluation policy in relation to this asset. The property will be professionally revalued every 5 years and the value of the property will be adjusted as necessary following this revaluation. The next full professional revaluation of the properties held by the Charity is due in December 2022. A valuation review will be performed by the Board between professional revaluations. If there is some indication that impairment has occurred, the carrying value of the property would be reduced in accordance with that review. If there is an indication that the property is materially undervalued, an uplift will be recognised in accordance with the review.

#### **Investment assets**

##### Properties:

The Charity's investment properties are carried forward at market value. In previous years one fifth of this property portfolio was professionally revalued on an annual basis and the property values carried forward would be adjusted, as necessary, to reflect these valuations. These valuations were undertaken by Carter Jonas, the last of which was at the end of December 2017. The Board has now agreed that a full professional revaluation of all the properties will be undertaken every 5 years and the value of the property will be adjusted as necessary following this revaluation. The next full professional revaluation of the properties held is, therefore, due in December 2022. A valuation review will be performed by the Board between professional revaluations. If there is an indication that impairment has occurred, the carrying value of the properties would be reduced in accordance with that review. If there is an indication that the properties are materially undervalued, an uplift will be recognised in accordance with the review.

Any cost of work carried out on modernisation and improvements between valuations is capitalised at cost.

##### Other investments:

These are shown in the balance sheet at middle market value.

#### **Realised and unrealised gains and losses**

Gains and losses on the sale of property and investments in excess of the brought forward valuation are treated as realised gains or losses and are credited or debited to the Statement of Financial Activities.

Unrealised gains or losses arising on the revaluation of properties and investments are credited or debited to the Statement of Financial Activities.

# Mr Willats' Charity

## NOTES TO THE ACCOUNTS

### for the year ended 31 December 2020

1	<b>Grants for parish Guides</b>	2020	2019
		£	£
	<b>Total grant commitments made in the year</b>	274,532	348,353
	Cost allocation		
	Services of the Clerk	25,133	23,896
	Audit, Accountancy & valuation fees	11,066	4,253
	Staff and consultancy costs	21,911	20,553
	Administration costs	26,174	29,771
		-----	-----
	Total costs as stated in the SOFA (see note 2)	358,816	426,826
		=====	=====
	<b>Reconciliation of grant commitments</b>		
	Commitment brought forward at the start of the year	410,966	403,225
	Commitment made in the year:		
	Grants for parish Guides	274,532	348,353
	Payments made during the year:		
	Grants for parish Guides	(226,540)	(340,612)
		-----	-----
	Commitments carried forward at the end of the year	458,958	410,966
		=====	=====
	Split of commitments carried forward:		
	Grants for parish Guides due within one year (see note 7)	248,875	240,217
	Grants for parish Guides due in greater than one year (see note 8)	210,083	170,749
		-----	-----
		458,958	410,966
		=====	=====

All grants were paid to institutions who act as intermediary grant recipients on the basis that the grants paid were to support the employment costs of specific individuals acting as Guides whilst fulfilling their ministry.

# Mr Willats' Charity

## NOTES TO THE ACCOUNTS *(continued)*

### for the year ended 31 December 2020

#### 2 Total expenditure

##### 2020

	Services of Clerk £	Audit & Accounts Services £	Staff Costs £	Admin Costs £	Other Direct Costs £	Total £
Let property expenditure	25,133	20,552	40,691	39,262	475,673	601,311
Investment management fees	-	-	-	-	4,811	4,811
Grants for parish guides (see note 1)	25,133	11,066	21,911	26,174	274,532	358,816
	<u>50,266</u>	<u>31,618</u>	<u>62,602</u>	<u>65,436</u>	<u>755,016</u>	<u>964,938</u>

##### 2019

	Services of Clerk £	Audit & Accounts Services £	Staff Costs £	Admin Costs £	Other Direct Costs £	Total £
Let property expenditure	23,896	12,759	38,169	44,655	573,923	693,402
Investment management fees	-	-	-	-	4,847	4,847
Grants for parish guides (see note 1)	23,896	4,253	20,553	29,771	348,353	426,826
	<u>47,792</u>	<u>17,012</u>	<u>58,722</u>	<u>74,426</u>	<u>927,123</u>	<u>1,125,075</u>

In analysing the total expenditure by the Charity some costs have been apportioned. The apportionments used are detailed below:

	Services of Clerk %	Audit & Accountancy %	Staff Costs %	Admin Costs %
<b>2020</b>				
Let property	50	65	65	60
Grants for parish Guides	50	35	35	40
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
<b>2019</b>				
Let property	50	75	65	60
Grants for parish Guides	50	25	35	40
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

# Mr Willats' Charity

## NOTES TO THE ACCOUNTS *(continued)*

### for the year ended 31 December 2020

#### 2 Total expenditure (continued)

All remaining costs are shown under the heading 'other direct costs' and are charged directly to the three cost headings as appropriate.

Included within grant expenditure are grants payable of £274,532 (2019: £348,353) relating to individual grants payable to Guides. All grants are given for the same charitable purpose which is to assist parishes in the churches of England, Wales and Ireland by contributing towards the salaries/expenses of lay pastoral workers.

Total governance costs were £40,070 (2019: £36,517). These costs have been split proportionately between let property costs and grants for parish Guides.

#### Auditor's remuneration

Included within audit and accountancy services expenditure above, amounts payable to the Charity's auditor are detailed as follows: audit fees for the current year of £12,245 (2019: £6,800); other fees, amounting to £43 (2019: £739), were also paid to the auditors during the year.

#### 3 Tangible fixed assets

##### 2020

	Freehold Property £	Office Equipment £	Furniture & Fittings £	Website £	Total £
<b>Cost</b>					
At the start of the year	810,000	38,738	276,813	22,948	1,148,499
Additions	-	3,090	-	-	3,090
Revaluations	134,000	-	-	-	134,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As the end of the year	944,000	41,828	276,813	22,948	1,285,589
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At the start of the year	-	25,606	219,769	5,737	251,112
Charge for the year	-	6,089	19,207	5,737	31,033
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As the end of the year	-	31,695	238,976	11,474	282,145
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
As the end of the year	944,000	10,133	37,837	11,474	1,003,444
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# Mr Willats' Charity

## NOTES TO THE ACCOUNTS *(continued)*

### for the year ended 31 December 2020

#### 3 Tangible fixed assets (continued)

##### 2019

	Freehold Property £	Office Equipment £	Furniture & Fittings £	Website £	Total £
<b>Cost</b>					
At the start of the year	810,000	35,811	226,266	17,793	1,089,870
Additions	-	2,927	50,547	5,155	58,629
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As the end of the year	810,000	38,738	276,813	22,948	1,148,499
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At the start of the year	-	19,703	189,221	-	208,924
Charge for the year	-	5,903	30,548	5,737	42,188
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As the end of the year	-	25,606	219,769	5,737	251,112
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
As the end of the year	810,000	13,132	57,044	17,211	897,387
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The freehold property is not being depreciated as the Trustees have agreed to carry forward this property at current market value and, as such, this property will be professionally revalued at the end of December 2022 when the Charity's investment properties will also be revalued. An interim valuation review was performed by the Board between professional revaluations and the carrying value of the property was increased in accordance with that review.

#### 4 Freehold investment properties

##### 2020

	Commercial £	Residential £	Total £
Valuation at the start of the year	3,760,000	29,991,080	33,751,080
Improvements at cost during year	-	-	-
Revaluation of property during year	-	4,732,920	4,732,920
	<hr/>	<hr/>	<hr/>
Valuation at the end of the year	3,760,000	34,724,000	38,484,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Mr Willats' Charity**  
**NOTES TO THE ACCOUNTS** *(continued)*  
**for the year ended 31 December 2020**

**4 Freehold investment properties (continued)**

**2019**

	Commercial £	Residential £	Total £
Valuation at the start of the year	3,760,000	29,509,945	33,269,945
Improvements at cost during year	-	481,135	481,135
	<u>3,760,000</u>	<u>29,991,080</u>	<u>33,751,080</u>
Valuation at the end of the year	<u>3,760,000</u>	<u>29,991,080</u>	<u>33,751,080</u>

The Charity's investment properties are carried forward at market value. In previous years one fifth of this property portfolio was professionally revalued on an annual basis and the property values carried forward would be adjusted, as necessary, to reflect these valuations. These valuations were undertaken by Carter Jonas, the last of which was at the end of December 2017. The Board has now agreed that a full professional revaluation of all the properties will be undertaken every 5 years and the value of the property will be adjusted as necessary following this revaluation. The next professional revaluation of the properties held is, therefore, due in December 2022. An interim valuation review was performed by the Board between professional revaluations, and the carrying value of the properties was increased in accordance with that review.

The Trustees estimate that the market value of the freehold investment properties at 31 December 2020 is £38,484,000 (2019: £33,751,080).

**5 Other investments**

	2020 £	2019 £
Market value at the start of the year	573,089	519,484
Portfolio fees	(4,811)	(4,847)
Net gain/(loss)	32,686	58,452
	<u>600,964</u>	<u>573,089</u>
Market value at the end of the year	<u>600,964</u>	<u>573,089</u>
Historical cost at the end of the year	<u>519,059</u>	<u>512,046</u>
The investments are held as follows:	2020 £	2019 £
Equities and convertible stocks	352,893	283,971
Gilts and other fixed interest stocks	104,941	168,507
Cash and cash equivalents	143,130	120,611
	<u>600,964</u>	<u>573,089</u>

# Mr Willats' Charity

NOTES TO THE ACCOUNTS *(continued)*  
for the year ended 31 December 2020

## 5 Other investments (continued)

Analysis by geographical sector	2020 £	2019 £
Investment assets in the UK	227,364	232,999
Investment assets outside of the UK	373,600	340,090
	<u>600,964</u>	<u>573,089</u>

## 6 Debtors

	2020 £	2019 £
Rents receivable	24,800	37,449
Prepayments	71,911	69,672
	<u>96,711</u>	<u>107,121</u>

## 7 Creditors: amounts falling due within one year

	2020 £	2019 £
Rents invoiced in advance	59,048	43,053
Trade creditors	99,390	106,356
Accruals	34,862	47,793
Other creditors	129,909	157,604
Grants due to Parish Guides	248,875	240,217
	<u>572,084</u>	<u>595,023</u>

**Mr Willats' Charity**  
**NOTES TO THE ACCOUNTS** *(continued)*  
**for the year ended 31 December 2020**

<b>8</b>	<b>Creditors: amounts falling due after more than one year</b>	2020	2019
		£	£
	Grants due to Parish Guides	210,083	170,749
		<u>210,083</u>	<u>170,749</u>
<b>9</b>	<b>Staff costs</b>	2020	2019
		£	£
	Salaries and social security	92,584	52,105
	Employer's NI	5,069	1,481
	Pension contributions	4,115	2,862
		<u>101,768</u>	<u>56,448</u>
	Average weekly number of employees during the year, calculated on an average headcount basis	<u>3</u>	<u>2</u>

No individual employed by the charity received remuneration in excess of £60,000 during the current or previous year.

The Key Management personnel of the Charity, as previously stated in the Trustees' Report, comprise of the Directors of the Corporate Trustee, the Clerk, the Property Manager and the Grants Administrator. The total salary and consultancy remuneration paid by the Charity to the Key Management personnel was £112,868 (2019: £101,848).

**10 Inter-fund loan**

The Charity holds significant endowment funds, the majority of which are invested in property. The Trustees believe that in order to safeguard the asset value and future income streams of the property portfolio it is necessary to maintain and improve the endowment properties. All endowment property improvements are added to the brought forward value of the property portfolio. The endowment funds do not receive any income and, therefore, only hold cash reserves if endowment assets have been sold, as such, the endowment fund does not usually hold sufficient cash reserves to finance the necessary property improvements. Historically, where the endowment funds have not been able to finance the full cost of property improvements, the shortfall is met by a fund transfer from the unrestricted funds. This has the immediate effect of reducing the unrestricted funds' reserves but the Trustees believe that the preservation of the property portfolio has resulted in higher future income generation for that fund.

In 2019 the total value of improvements to the property portfolio was £481,135, see note 4. These costs were partly financed through the unspent cash reserves held by the endowment fund at the start of the year following a £400,000 draw down from the stock market portfolio in 2018. The unspent cash reserves brought forward from the previous year amounted to £246,137. The balance of costs, being £234,998 was financed from cash held within the unrestricted funds. The Trustees considered that due to insufficient free reserves within the unrestricted fund, the Charity was not in a position to transfer funds from unrestricted funds to endowment funds. Instead, it was agreed that the unrestricted funds would lend the cash shortfall to the endowment funds as it had done in previous years.

# Mr Willats' Charity

## NOTES TO THE ACCOUNTS *(continued)*

### for the year ended 31 December 2020

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#### 10 Inter-fund loan (continued)

No improvements have been made to any of the properties held by the endowment funds during the year so there has been no need to increase the amount lent from the unrestricted funds to the endowment funds and none of the assets held by the endowment fund have been realised in the year, so the endowment fund has not been in a position to repay this loan during the year. As such, the balance on the inter-fund loan has remained unchanged.

The movements relating to the inter-fund loan are detailed below:

	2020	2019
	£	£
Balance brought forward at the start of the year	234,998	-
Endowment property improvements (see note 4)	-	481,135
Financed through unspent cash reserves held by the endowment fund at the start of the year (see note 11)	-	(246,137)
	<u>234,998</u>	<u>234,998</u>
	<u><u>234,998</u></u>	<u><u>234,998</u></u>

**Mr Willats' Charity**  
**NOTES TO THE ACCOUNTS** *(continued)*  
for the year ended 31 December 2020

**11 Analysis of net assets between funds**

**2020**

	Freehold Investment Property £	Other Investments £	Fixed Assets £	Inter-fund Loan £	Net Assets/ (Liabilities) £	Total £
Endowment funds	38,484,000	600,964	549,000	(234,998)	-	39,398,966
Unrestricted funds	-	-	454,444	234,998	8,911	698,353
	<u>38,484,000</u>	<u>600,964</u>	<u>1,003,444</u>	<u>-</u>	<u>8,911</u>	<u>40,097,319</u>

**2019**

	Freehold Investment Property £	Other Investments £	Fixed Assets £	Inter-fund Loan £	Net Assets/ (Liabilities) £	Total £
Endowment funds	33,751,080	573,089	415,000	(234,998)	-	34,504,171
Unrestricted funds	-	-	482,387	234,998	(266,938)	450,447
	<u>33,751,080</u>	<u>573,089</u>	<u>897,387</u>	<u>-</u>	<u>(266,938)</u>	<u>34,954,618</u>

**12 Related party transactions and Directors' expenses and remuneration**

No related party transactions were entered into during the current or previous year.

During the year, no Director received any remuneration (2019: nil) but expenses amounting to £390 (2019: £512) were claimed by a total of four Directors.

**13 Capital commitments**

At both this year end and the previous year end, the Charity had made no commitment to any future capital expenditure.

**Mr Willats' Charity**  
 NOTES TO THE ACCOUNTS *(continued)*  
 for the year ended 31 December 2020

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**14 Fund accounting comparative figures**

**2019**

	Unrestricted Funds £	Endowment Funds £	Total 2019 £
<b>Income and endowments from:</b>			
Investment property income	1,195,929	-	1,195,929
Other investment income	9,502	-	9,502
	-----	-----	-----
<b>Total income</b>	1,205,431	-	1,205,431
	-----	-----	-----
<b>Expenditure on:</b>			
<i>Cost of raising funds:</i>			
Let property expenditure	693,402	-	693,402
Investment management fees	-	4,847	4,847
	-----	-----	-----
<i>Expenditure on charitable activities:</i>			
Grants for parish Guides	426,826	-	426,826
	-----	-----	-----
<b>Total expenditure</b>	1,120,228	4,847	1,125,075
	-----	-----	-----
Net gains on stock market investments	-	58,452	58,452
	-----	-----	-----
<b>Net income on ordinary activities</b>	85,203	53,605	138,808
	-----	-----	-----
<i>Reconciliation of funds</i>			
<b>Funds brought forward</b>	365,244	34,450,566	34,815,810
	-----	-----	-----
<b>Funds carried forward</b>	450,447	34,504,171	34,954,618
	=====	=====	=====

**Mr Willats' Charity**  
 NOTES TO THE ACCOUNTS *(continued)*  
 for the year ended 31 December 2020

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**15 Reconciliation of net movements in funds to net cash generated from operating activities**

	2020	2019
	£	£
<b>Continuing activities</b>		
Net movement in funds	5,142,701	138,808
Deduct investment income	(5,430)	(9,502)
Add back depreciation of tangible fixed assets	31,033	42,188
Deduct gains on investments	(32,686)	(58,452)
Add back investment management fees	4,811	4,847
Decrease in debtors	10,411	3,574
Increase in creditors	16,394	32,985
Unrealised gain on revaluations	(4,866,920)	-
Net cash outflow from operating activities	<u>300,314</u>	<u>154,448</u>

The following pages do not form part of the statutory financial statements

**Mr Willats' Charity**  
**INVESTMENT PROPERTY**  
for the year ended 31 December 2020

	2020	2019
	£	£
<b>PROPERTY INCOME</b>		
Rents receivable for the year	1,198,276	1,190,018
Other property income	4,327	5,911
	<u>          </u>	<u>          </u>
Total rental income	1,202,603	1,195,929
	<u>          </u>	<u>          </u>
<b>DIRECT LET PROPERTY COSTS</b>		
Property repairs and maintenance	183,139	197,116
Insurance	50,357	51,666
Legal and professional fees	38,779	87,909
Residential and commercial agents' fees	21,458	15,687
Surveyors fees	58,583	56,769
Other property costs	28,594	38,834
Electricity, gas and water	7,172	10,613
Rents receivable written off as irrecoverable	18,122	38,784
Council tax	8,124	6,043
Cleaning	42,139	39,955
Depreciation	19,206	30,547
	<u>          </u>	<u>          </u>
	475,673	573,923
	<u>          </u>	<u>          </u>
<b>APPORTIONED COSTS</b>		
Services of Clerk	25,133	23,896
Audit and accountancy services	20,552	12,759
Staffing and consultancy costs	40,691	38,169
Administration costs	39,262	44,655
	<u>          </u>	<u>          </u>
	125,638	119,479
	<u>          </u>	<u>          </u>
<b>TOTAL COSTS</b>	601,311	693,402
	<u>          </u>	<u>          </u>
<b>NET RENTAL INCOME</b>	601,292	502,527
	<u>          </u>	<u>          </u>

**Mr Willats' Charity**  
ADMINISTRATION  
for the year ended 31 December 2020

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	2020	2019
	£	£
ADMINISTRATION COSTS		
Legal and professional fees	6,926	13,711
Computer costs	15,848	15,263
Publication and memberships	3,927	2,796
Other office costs and sundries	9,445	10,476
Insurance	9,042	4,909
Telephone, postage and stationery	4,619	10,723
Website costs	2,520	3,218
Depreciation	11,826	11,641
Bank charges	893	310
Trustees' expenses and meeting costs	390	1,379
	<hr/>	<hr/>
TOTAL ADMINISTRATION COSTS	65,436	74,426
	<hr/> <hr/>	<hr/> <hr/>