

Charles Williams Charity
Financial Statements
31 October 2020

ELLIS LLOYD JONES AUDIT LIMITED

Chartered accountants & statutory auditor
11 Park Square
Newport
South Wales
NP20 4EL

Charles Williams Charity

Financial Statements

Year ended 31 October 2020

	Page
Trustees' annual report	2
Educational Endowment	
Independent auditor's report to the trustees	12
Statement of financial activities	16
Statement of financial position	17
Notes to the financial statements	18
Church and Road Estate	
Independent auditor's report to the trustees	29
Statement of financial activities	33
Statement of financial position	34
Notes to the financial statements	35

Charles Williams Charity

Trustees' Annual Report

Year ended 31 October 2020

The trustees present their report and the financial statements of the charity for the year ended 31 October 2020.

Reference and administrative details

Registered charity name Charles Williams Charity

Charity registration number 701554

Principal office School House
High Street
Caerleon
Newport
South Wales
NP18 1AZ

The trustees Mr Julio Benavides (Chair)
Mr Timothy Ford
Mr Gareth Edwards
The Reverend Elaine Hills
Cllr Jason Hughes
Mr Paul Huntley
Mr Stephen Marshall OBE
Mrs Caroline McLachlan
Mr Keith Minton (Deputy Chair)
Mr Michael Sansom
Mr Clifford Suller
The Reverend Sue Pratten
(Ex Officio)
Mr Roy McCabe (Retired 10 April 2020)
The Right Reverend Cherry (Appointed 10 December
Vann, Bishop of Monmouth 2020, retired 4 February 2021)
(Ex Officio)

Auditor Ellis Lloyd Jones Audit Limited
Chartered accountants & statutory auditor
11 Park Square
Newport
South Wales
NP20 4EL

Bankers Charities Aid Foundation
Head Office
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4TA

Charles Williams Charity

Trustees' Annual Report (*continued*)

Year ended 31 October 2020

The following are the Trustees for the Administration of the Charles Williams Charity and serve both Educational Endowment and Church and Roads Estate.

EX-OFFICIO TRUSTEES:

The Lord Bishop of Monmouth or appointed representative - Vacant
The Vicar of the Parish of Llangattock-juxta-Caerleon, The Reverend Sue Pratten

REPRESENTATIVE TRUSTEES:

Whose Term of Office Expires

Appointed by the Parochial Church Council of Llangattock-juxta-Caerleon

Mr Keith Minton	9 December 2023
Mr Michael Sansom	9 December 2023

Appointed by Newport City Council

Cllr Jason Hughes	8 May 2024
Mrs Caroline McLachlan	14 May 2022
Mr Clifford Suller	8 May 2024
Vacancy	

CO-OPTATIVE TRUSTEES:

Mr Julio Benavides	3 December 2023
Mr Gareth Edwards	8 September 2021
The Reverend Elaine Hills	21 May 2023
Mr Paul Huntley	21 May 2023
Mr Stephen Marshall OBE	8 May 2022
Mr Timothy Ford	26 September 2024

PRINCIPAL OFFICERS:

Chairman:
Mr Julio Benavides

Deputy Chairman:
Mr Keith Minton

Charles Williams Charity

Trustees' Annual Report (*continued*)

Year ended 31 October 2020

Structure, governance and management

The Charity is constituted by the trust deed and the following governing documents apply:

Church and Road Estate Scheme of 29 June 1878
Educational Endowment Scheme of 22 August 1988

Both sides of the Charity are administered by a single Board of trustees consisting of 14 members, made up as follows:

Charles Williams Charity Trustee Board

There are two Ex-officio Trustees, Lord Bishop of Monmouth or nominated representative and The Vicar of the Parish of Llangattock-juxta-Caerleon.

There are six nominative trustees appointed by the following organisations to fill their designated number of places on the Board:

Parochial Church Council of Llangattock-juxta-Caerleon 2
Newport City Council 4

There are also 6 Co-optative trustees who make up the full trustee complement of 14.

Trustees are appointed when nominated by the various bodies, as required under the Governing Document. When a Trustee is appointed, they undergo an induction with the Administrator, who explains what the Charity does and the policies and procedures in place. They are provided with literature, produced by the Charity Commission, regarding their duties and responsibilities and are required to sign a Code of Conduct declaration. They also receive a copy of the Governing Document and the most recent set of financial statements.

The Trustees work very well within their streamlined working groups and the charity is able to allow the trustees to work to their abilities and expertise within their allocated groups. The following are the current working groups of the charity:

Finance & Steering (F&S)
Church & Roads (C&R)
Legal (L)
Joint School Development (JDC)
Human Resources (HR)
Grants (G)

All of the decisions made by these groups are ratified by the main board of Trustees at the main quarterly meetings.

During the year the Trustees also instigated the following:

In March 2020, the UK Government asked all residents of the UK to stay at home to try to contain the Covid 19 Pandemic. This meant that the Administration Manager would work from home and continue duties remotely. Quarterly Meetings have continued over Zoom conference call and trustees have managed an excellent job in their decision making and reviewing of group decisions. The AGM was postponed from May 2020 to August 2020, where it was very well attended over Zoom. The charity has been in regular contact with its Investment Manager and has received monthly financial reports from the Administration Manager. The pandemic has not affected the charity's ability to perform its daily, weekly and monthly commitments.

Charles Williams Charity

Trustees' Annual Report (*continued*)

Year ended 31 October 2020

1. In January 2020, the charity organised an electrician to place security lighting at various points around the school buildings. This is hoped to be a deterrent to thieves after the theft of lead from both school buildings in December 2018. The cost of the installation amounted to £1,032.

2. The trustees approved a request from the National Museum Wales to continue to keep, on loan, a selection of Roman artefacts found during the 1986 excavations on the Junior School.

3. In September 2020, the trustees agreed to replace a section of flat roof on the Infants School, which had been leaking. A local roofing contractor was appointed by the Finance & Steering Committee, but due to delays caused by the pandemic, work was only completed in November 2020 and so the costs of the repair will feature in next year's accounts.

4. Charles Williams Church in Wales Primary School has been awarded a grant from the Welsh Government via the Dioceses Office (21st Century School Funding). The Trustees have agreed to assist the school within the 21st Century Funding and will contribute 15% of the total build cost and have also agreed to an overspend contingency of 15%. A management committee has been set up for the works, which includes School Governors, Charity Trustees, Diocese Office and Newport Norse, who have been appointed by the Management Committee to complete the works. This committee meets on a monthly basis and reports back to the charity at their quarterly meetings. Due to various setbacks and delays caused by lockdowns and restrictions over Covid 19, the new commencement of works date has been estimated to begin in August 2021. The committee has worked very hard to progress the works but this is, unfortunately, out of its control.

5. We would like to duly note that Mr Roy McCabe resigned from the Charity on 10 April 2020. We would like to thank Roy for all his efforts and hard work for the Charity. All his work was very much appreciated by the Trustees.

6. Bishop Cherry Vann was welcomed to the Charity as an Ex-Officio Trustee. However, after reconsidering, the Bishop resigned on the 4th February 2021 and has nominated the Archdeacon of Newport, the Venerable Jonathan Williams, to be her representative on the Charity.

Risk assessment

The Trustees are responsible for overseeing the risks faced by the Charity. Risks are identified, assessed and mitigation is established throughout the year. A formal review of the Charity's risk management processes is undertaken on an annual basis. The Trustees have identified their principal risk as being a severe downturn on the financial markets where their funds are invested. However, the Investment Policy and close liaison with the Investment Managers provides prudent management should this occur.

The Trustees are aware of their responsibilities to protect the investments of the Charity to maximise the returns, so they are able to further the objectives. The Trustees are satisfied that the risks identified have been mitigated where necessary.

Charles Williams Charity

Trustees' Annual Report (*continued*)

Year ended 31 October 2020

Objectives and activities

To assist the School Governors in providing, at the School, special benefits of any kind not normally provided by the Local Education Authority.

Exhibition grants are awarded to students under the age of 25 when they move on to Higher Education. The level of the grant is presently £300 in total paid in the first year of study, which the Trustees expect to be used for the purchase of IT equipment or study materials, such as text books, etc.

Hardship grants for students in need are considered on the recommendation of one of the three schools in Caerleon for pupils that are residents of Caerleon. The Trustees will consider the circumstances in each case and make an award that is commensurate with the student's need for support, where hardship is the key issue.

Major Leaving Awards of £100 for two recommended students leaving year 13 at Caerleon Comprehensive School are also awarded each year. Caerleon Comprehensive did not undertake any award ceremony this year, due to the pandemic.

Book vouchers, to the value of £25 each, are presented to the six ambassadors at Charles Williams Church in Wales Primary School and four head and deputy head pupils at The Lodge Hill Primary School. This year, due to Covid 19 restrictions the book vouchers were presented by teaching staff and not a member of the board as previously performed.

Bibles are also purchased for children completing their primary school education at the Charles Williams Church in Wales Primary School and the Lodge Hill Primary School.

The Trustees have decided that there is no requirement for specific designated funds at this time and so in 2019 brought forward balances on these funds were transferred to the Educational Endowment General Fund. Going forward, they will monitor the need for designated funds and establish them if required.

The Objectives of the Church and Road Estate Scheme are to apply the income for the repair and adornment of the Church of St. Cadoc's and its Churchyard and in mending and repairing the road leading into and within the town and, as far as not applied, shall be applied for the educational purposes of the Scheme. (As amended by resolution made under the Charities Act 1993, Section 74 (2)(c) on 4 December 1995 and confirmed by the Charity Commissioners on 8 August 1996.)

The Trustees decided that any surplus income arising from the Church and Roads Estate side of the Charity would be retained in the General Fund. In 2019, they also decided that there was no requirement for the Church and Roads Estate Designated Church Fund at this time and so the brought forward balance on the fund was transferred to the General Fund.

Charles Williams Charity

Trustees' Annual Report (*continued*)

Year ended 31 October 2020

Achievements and performance

Charles Williams Charity is a public benefit entity. The Educational Endowment delivered public benefit by making grants to the School and the Charity for the purpose of providing the children with additional benefits, not normally made available through the LEA. This grant funding allows the school to further its purpose of providing education to its students and also allows the school to maintain and continue a programme for the upkeep and maintenance of the school buildings. The Charity also provides grant funding to students in the local area to assist them in furthering their education and helping with the cost of studying at University.

During the year, 33 students received grants towards their further and higher education via the Exhibition Grant.

Financial review

Educational Endowment Fund

Strict budgetary control, together with a strong performance by our Investment Managers despite the difficult market conditions, has meant that trustees are pleased with the results despite the overall deficit for the year.

The total incoming resources for the year were £198,310 compared to £317,834 in the previous year.

The investment income of £194,465 has decreased since the previous year (2019: £211,263). Other income was £3,845, compared to £106,571 in 2019 which was significantly higher due to insurance claims.

Total resources expended were £86,069 compared to £220,134 in 2019, which was again significantly higher due to repairs required as a result of insurance claims. This represents a decrease of £134,065. A detailed breakdown of expenditure for the year ended 31 October 2020 for costs of charitable activities can be found in note 7. Investment management fees amounted to £31,465, (2019: £33,882), which is 0.55% on the first £3m and 0.60% on the next £5m.

Investment performance

At the year end, the investments, not including investment properties, were worth £4,800,211. The portfolio generated a return of -8.9% over the year. Whilst the negative return is disappointing, it was broadly in line with the market benchmark and should be viewed in the context of market conditions and the large fall in stock markets in February and March as a result of uncertainty associated with the Covid 19 pandemic. Since our year end, following positive news on Covid 19 vaccines in November, the investments have fully participated in the recovery in markets, reversing most of the fall.

The investments generated an income of £194,308, which was just shy of the income target set for the year of £200,000. This is a reassuring result, given the extent of dividend cuts across the UK stock market in particular.

Smith & Williamson are expecting a full global economic recovery within the next 12 months, reversing the substantial contraction in the key economies as a result of Government shutdowns. The UK economy is likely to lag - in part due to subdued business investment which may be due to BREXIT concerns. Moreover, the UK has been hit particularly hard by Covid 19. Nevertheless, on balance the outlook for the recovery in earnings - globally - looks promising, which is likely to be led by the Far East in particular. The recovery in dividends is

Charles Williams Charity

Trustees' Annual Report (*continued*)

Year ended 31 October 2020

likely to track earnings and, again, be led by the Far East. However, in the UK, dividends in aggregate are not expected to fully recover for several years - in part reflecting the perception that UK listed companies have been paying out a relatively high proportion of their profits in dividends and some rebalancing is therefore likely. The major risks going forward for markets which continue to relate to:

- Covid 19 (although he pointed out that 7 vaccines are now in or close to being in Phase 3 trials - and historically the success rate for drugs making it to phase 3 is around 85%)
- The need for governments to balance their books at some point in the future given very high levels of government debt
- The potential fall-out from any sizeable correction in the Technology market
- The US election (although this risk is arguably less than in previous cycles - the greatest risk for markets probably relates to a "disputed result" followed by a period of inactivity and potential unrest)

Church and Roads Fund

The total incoming resources for the year were £2,583 (2019: £2,994) and consisted of investment income and bank interest.

There was expenditure during the year of £613 (2019: £645).

The closing market value of the fixed asset investments was £95,419 at 31 October 2020 (2019: £103,419).

The surplus on unrestricted funds of £301 (2019: £4,542) has been retained in the General Fund.

Policies

Reserves policy

The policy in place is to maintain reserves to cover the charity's commitment to the building work at the Charles Williams CiW Primary School, under the 21st Century Funding Project. Once the project has been completed, the Trustees intend to maintain a level of reserves sufficient to cover any unexpected expenditure on the buildings which date back to the 18th Century.

Other

During the year, the trustees prepared and approved a Financial Policy for the Charity. The Charity does not undertake any fundraising from members of the public and so does not have a fundraising policy.

Charles Williams Charity

Trustees' Annual Report (*continued*)

Year ended 31 October 2020

Investment policy

The Charity's investment managers are Smith & Williamson. The following is the investment policy agreed with the trustees and investment managers and is the policy statement covering the Endowment Fund, the School Development Fund, and the Church & Road Estate Fund.

Introduction

The management of the investments has been delegated to Smith & Williamson Investment Management. Smith & Williamson are responsible investors and signatories to the United Nations principles of responsible investment. This shows that Smith & Williamson are investing the charity's money in a responsible way, taking into account environmental, social and governance factors.

This investment policy covers the Endowment fund, the unrestricted (Designated Building Repair) fund, and the Church & Road Estate fund.

Investment Objectives

Charles Williams Charity seeks to produce the best financial return within an acceptable level of risk.

The investment objective is to generate a total return of CPI plus 3.5% per annum, with a minimum income of £200,000 per annum, uplifted by CPI for subsequent years.

Performance will be measured against the primary objective of CPI plus 3.5% over a rolling 5-year period. In order to assess the return in the context of market conditions a secondary benchmark will be adopted, which will be a composite consisting of:

50.0% MSCI UK IMI
22.5% MSCI ACWI EX UK
10.0% MARKIT IBOXX Sterling Non-Gilts Total Return
7.5% Markit iBoxx inflation Linked
7.5% IPD UK Property Monthly
2.5% 7-Day Libor

Investment policy update

In their September 2020 meeting, the trustees agreed to update the investment policy which will allow the investment manager greater flexibility when making investment decisions, reducing emphasis on income generation. As a result, the income target set for 2021/22 is reduced to £150,000, with the intention of increasing this target by inflation each year. This change will increase the universe of potential investments which can be included in the portfolio, with will allow a slight shift in orientation towards overseas markets, enhancing the scope for capital growth. Performance will be measured against the primary objective of CPI plus 3.5% over a rolling 5-year period. In order to assess the return in the context of market conditions a secondary benchmark will be adopted, which is a composite of market indices as detailed below:

33.75% MSCI UK IMI
33.75% MSCI All Countries World ex-UK
17.50% iBoxx GBP Gilts 7-10 years
3.33% LBMA Gold USD PM
3.33% HFRX Global Hedge Funds
3.33% MSCI UK IMI Core Real Estate
5.00% SONIA Overnight cash

Charles Williams Charity

Trustees' Annual Report (*continued*)

Year ended 31 October 2020

Risk

The key risk to the long-term reserves is inflation, and the assets should be invested to mitigate this risk over the long term. The Finance & Steering Committee understands that this is likely to mean that investment will be concentrated in real assets and that the capital value will fluctuate.

The assets can be invested widely, and should be diversified by asset class and security. Asset classes could include equities, bonds, commercial property collective investment schemes and cash, but not derivatives or hedge funds.

Restrictions

The Charity instructs the Investment Manager to avoid:

- Direct investment in the equity of individual companies that generate more than 10% of their revenue from tobacco production or sale.
- Direct investment in the equity of individual companies that generate more than 10% of their revenue from strategic military sources, weapon systems, nuclear weapon systems, landmines or cluster munitions parts and/or services.

Reports

A quarterly report will be produced by the Investment Manager, together with an annual report that coincides with the Charity year end, i.e. 31st October. A hard copy of each quarterly and year-end report will be mailed to every trustee of Charles Williams Charity, either via email or hard copy, once they are compiled by Smith & Williamson.

Review

This investment policy statement will be reviewed annually, usually at the annual review meeting with Investment Managers, which presently takes place in December at the Trustees Quarterly Meeting.

Plans for future periods

The Trustees will continue to explore ways of improving the Charity and seeking financial assistance on school modernisation, concentrating on priority educational needs.

As previously mentioned under point 4 on page 5, the trustees are pleased to announce that they going to be part of the 21st Century re-development of the school buildings by contributing 15% of the total re-development costs to the project.

Charles Williams Charity

Trustees' Annual Report *(continued)*

Year ended 31 October 2020

Trustees' responsibilities statement

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each 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 trustees are required to:

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

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

The trustees' annual report was approved on Apr 13, 2021..... and signed on behalf of the board of trustees by:


Julio Benavides (Apr 13, 2021 19:07 GMT+1)

Mr Julio Benavides (Chair)
Trustee



Mr Keith Minton (Deputy Chair)
Trustee

Charles Williams Charity

Independent Auditor's Report to the Trustees of Charles Williams Charity

Year ended 31 October 2020

Opinion

We have audited the financial statements of Charles Williams Charity (the 'charity') for the year ended 31 October 2020 which comprise the statement of financial activities, statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 October 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Charles Williams Charity

Independent Auditor's Report to the Trustees of Charles Williams Charity *(continued)*

Year ended 31 October 2020

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept; 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 trustees

As explained more fully in the trustees' responsibilities statement, 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.

Charles Williams Charity

Independent Auditor's Report to the Trustees of Charles Williams Charity *(continued)*

Year ended 31 October 2020

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Charles Williams Charity

Independent Auditor's Report to the Trustees of Charles Williams Charity *(continued)*

Year ended 31 October 2020

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's 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 charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Kara Williams

Kara Williams (Apr 16, 2021 11:53 GMT+1)

Kara Williams BSc BFP FCA (Senior Statutory Auditor)

For and on behalf of
Ellis Lloyd Jones Audit Limited
Chartered accountants & statutory auditor
11 Park Square
Newport
South Wales
NP20 4EL

Apr 16, 2021

Charles Williams Charity

Statement of Financial Activities

Year ended 31 October 2020

		2020			2019
	Note	Unrestricted funds £	Endowment funds £	Total funds £	Total funds £
Income and endowments					
Investment income	4	194,465	–	194,465	211,263
Other income	5	3,845	–	3,845	106,571
Total income		<u>198,310</u>	<u>–</u>	<u>198,310</u>	<u>317,834</u>
Expenditure					
Expenditure on raising funds:					
Investment management costs	6	4,256	27,209	31,465	33,882
Expenditure on charitable activities	7	54,604	–	54,604	186,252
Total expenditure		<u>58,860</u>	<u>27,209</u>	<u>86,069</u>	<u>220,134</u>
Net (losses)/gains on investments	8	(96,601)	(549,207)	(645,808)	356,648
Net (expenditure)/income and net movement in funds		<u>42,849</u>	<u>(576,416)</u>	<u>(533,567)</u>	<u>454,348</u>
Reconciliation of funds					
Total funds brought forward		<u>1,007,671</u>	<u>7,577,708</u>	<u>8,585,379</u>	8,131,031
Total funds carried forward		<u>1,050,520</u>	<u>7,001,292</u>	<u>8,051,812</u>	<u>8,585,379</u>

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

The notes on pages 18 to 27 form part of these financial statements.

Charles Williams Charity

Statement of Financial Position

31 October 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible fixed assets	13	2,850,343	2,850,668
Investments	14	4,800,211	5,477,484
		<u>7,650,554</u>	<u>8,328,152</u>
Current assets			
Debtors	15	15,510	15,981
Cash at bank and in hand		394,067	249,798
		<u>409,577</u>	<u>265,779</u>
Creditors: amounts falling due within one year	16	<u>8,319</u>	<u>8,552</u>
Net current assets		<u>401,258</u>	<u>257,227</u>
Total assets less current liabilities		<u>8,051,812</u>	<u>8,585,379</u>
Net assets		<u>8,051,812</u>	<u>8,585,379</u>
Funds of the charity			
Endowment funds		7,001,292	7,577,708
Unrestricted funds		1,050,520	1,007,671
Total charity funds	18	<u>8,051,812</u>	<u>8,585,379</u>

These financial statements were approved by the board of trustees and authorised for issue on Apr 13, 2021....., and are signed on behalf of the board by:


Julio Benavides (Apr 13, 2021 19:07 GMT+1)

Mr Julio Benavides (Chair)
Trustee



Mr Keith Minton (Deputy Chair)
Trustee

The notes on pages 18 to 27 form part of these financial statements.

Charles Williams Charity

Notes to the Financial Statements

Year ended 31 October 2020

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is School House, High Street, Caerleon, Newport, South Wales, NP18 1AZ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

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

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Charles Williams Charity

Notes to the Financial Statements *(continued)*

Year ended 31 October 2020

3. Accounting policies *(continued)*

Fund accounting

The permanent endowment fund must be retained and invested in order to obtain a return. The permanent endowment fund cannot be used as if it were income, however certain payments must be made out of the endowment, such as the payment of investment management fees where these relate to investments held within the endowment. All incoming resources derived from assets held as endowment investments form part of the unrestricted funds unless the application of the income is restricted to a particular purpose. Any income not spent at the year end should be carried forward in the appropriate unrestricted or restricted fund.

General Funds

Unrestricted funds are expendable at the discretion of the trustees in furtherance of the charity's objects. If part of an unrestricted fund is earmarked for a particular project it may be designated as a separate fund, but the designation has an administrative purpose only, and does not legally restrict the trustees' discretion to apply the fund.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- investment income is recognised in the period to which it relates.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Charles Williams Charity

Notes to the Financial Statements *(continued)*

Year ended 31 October 2020

3. Accounting policies *(continued)*

Tangible assets

All fixed assets are initially recorded at cost.

At the moment, the charity does not have a minimum amount at which assets are capitalised and each asset is considered on an individual basis depending on its use and its economic life.

However, since the charity does not generally purchase a significant amount of fixed assets, the Trustees do not believe this is a significant issue.

The Trustees review the fixed assets regularly with respect to impairment and provide for any impairment as and when necessary.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment - 25% straight line

Investments

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in income or expenditure.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Charles Williams Charity

Notes to the Financial Statements *(continued)*

Year ended 31 October 2020

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

Charles Williams Charity

Notes to the Financial Statements (continued)

Year ended 31 October 2020

4. Investment income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Income from listed investments	194,308	194,308	211,056	211,056
Bank interest receivable	157	157	207	207
	<u>194,465</u>	<u>194,465</u>	<u>211,263</u>	<u>211,263</u>

5. Other income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Other income	3,845	3,845	106,571	106,571
	<u>3,845</u>	<u>3,845</u>	<u>106,571</u>	<u>106,571</u>

6. Investment management costs

	Unrestricted Funds £	Endowment Funds £	Total Funds 2020 £
Portfolio management	4,256	27,209	31,465
	<u>4,256</u>	<u>27,209</u>	<u>31,465</u>

	Unrestricted Funds £	Endowment Funds £	Total Funds 2019 £
Portfolio management	4,493	29,389	33,882
	<u>4,493</u>	<u>29,389</u>	<u>33,882</u>

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Charity school insurance costs	18,287	18,287	14,368	14,368
Repairs and maintenance of the Charity school	1,032	1,032	114,359	114,359
Higher Education grants	9,600	9,600	9,300	9,300
Grants to the Charity School	-	-	18,750	18,750
Other grants and book costs	1,494	1,494	2,914	2,914
Wages and pensions – see note 11	16,376	16,376	15,878	15,878
Office costs	1,112	1,112	1,695	1,695
Bank charges	162	162	190	190
Support costs – legal fees	556	556	2,926	2,926
Support costs – audit fees	4,622	4,622	4,488	4,488
Support costs – payroll bureau and accountancy	1,363	1,363	1,383	1,383
	<u>54,604</u>	<u>54,604</u>	<u>186,252</u>	<u>186,252</u>

Charles Williams Charity

Notes to the Financial Statements (continued)

Year ended 31 October 2020

8. Net (losses)/gains on investments

	Unrestricted Funds £	Endowment Funds £	Total Funds 2020 £
(Losses)/gains on revaluation of investments	(73,751)	(324,421)	(398,172)
(Losses)/gains on disposal of investment assets	(22,850)	(224,786)	(247,636)
	<u>(96,601)</u>	<u>(549,207)</u>	<u>(645,808)</u>

	Unrestricted Funds £	Endowment Funds £	Total Funds 2019 £
Gains/(losses) on revaluation of investments	48,894	246,284	295,178
Gains/(losses) on disposal of investment assets	5,002	56,468	61,470
	<u>53,896</u>	<u>302,752</u>	<u>356,648</u>

9. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	<u>325</u>	<u>325</u>

10. Auditors remuneration

	2020 £	2019 £
Fees payable for the audit of the financial statements	<u>4,622</u>	<u>4,488</u>
Fees payable to the charity's auditor and its associates for other services:		
Other non-audit services	<u>1,363</u>	<u>1,383</u>

11. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2020 £	2019 £
Wages and salaries	15,620	15,160
Employer contributions to pension plans	756	718
	<u>16,376</u>	<u>15,878</u>

The average head count of employees during the year was 1 (2019: 1). The average number of full-time equivalent employees during the year is analysed as follows:

	2020 No.	2019 No.
Number of staff	<u>1</u>	<u>1</u>

Charles Williams Charity

Notes to the Financial Statements (continued)

Year ended 31 October 2020

11. Staff costs (continued)

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

12. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

In 2019, one trustee was reimbursed £62 for expenses incurred on behalf of the charity. This was for other grants and office costs. No similar transactions occurred during the current year.

13. Tangible fixed assets

	Land and buildings £	Equipment £	Total £
Cost			
At 1 November 2019 and 31 October 2020	<u>2,850,000</u>	<u>5,498</u>	<u>2,855,498</u>
Depreciation			
At 1 November 2019	–	4,830	4,830
Charge for the year	–	325	325
At 31 October 2020	<u>–</u>	<u>5,155</u>	<u>5,155</u>
Carrying amount			
At 31 October 2020	<u>2,850,000</u>	<u>343</u>	<u>2,850,343</u>
At 31 October 2019	<u>2,850,000</u>	<u>668</u>	<u>2,850,668</u>

14. Investments

	Cash or cash equivalents £	Listed investments £	Investment properties £	Total £
Cost or valuation				
At 1 November 2019	37,192	5,409,567	30,725	5,477,484
Additions	102,417	1,517,284	–	1,619,701
Disposals	–	(1,898,802)	–	(1,898,802)
Fair value movements	–	(398,172)	–	(398,172)
At 31 October 2020	<u>139,609</u>	<u>4,629,877</u>	<u>30,725</u>	<u>4,800,211</u>
Impairment				
At 1 November 2019 and 31 October 2020				<u>–</u>
Carrying amount				
At 31 October 2020	<u>139,609</u>	<u>4,629,877</u>	<u>30,725</u>	<u>4,800,211</u>
At 31 October 2019	<u>37,192</u>	<u>5,409,567</u>	<u>30,725</u>	<u>5,477,484</u>

Charles Williams Charity

Notes to the Financial Statements (continued)

Year ended 31 October 2020

14. Investments (continued)

All investments shown above are held at valuation.

Investment properties

The majority of the land held within investment property was valued by Cooke & Arkwright at 1st November 2015. The Trustees do not believe that the valuation has changed significantly since this date.

Financial assets held at fair value

Fixed asset investments are held at fair value in accordance with FRS102 SORP. The fair value is based on current market value and is determined with reference to the portfolio managed by Smith & Williamson Investment Managers.

15. Debtors

	2020	2019
	£	£
Prepayments and accrued income	<u>15,510</u>	<u>15,981</u>

16. Creditors: amounts falling due within one year

	2020	2019
	£	£
Accruals and deferred income	5,643	5,481
Social security and other taxes	108	97
Other creditors	<u>2,568</u>	<u>2,974</u>
	<u>8,319</u>	<u>8,552</u>

17. Pensions and other post-retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £756 (2019: £718).

Charles Williams Charity

Notes to the Financial Statements (continued)

Year ended 31 October 2020

18. Analysis of charitable funds

Unrestricted funds

	At 1 Nov 2019 £	Income £	Expenditure £	Gains and losses £	At 31 Oct 2020 £
General fund	<u>1,007,671</u>	<u>198,310</u>	<u>(58,860)</u>	<u>(96,601)</u>	<u>1,050,520</u>

	At 1 Nov 2018 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Oct 2019 £
General fund	–	317,834	(190,745)	826,686	53,896	1,007,671
Designated Fund	132,633	–	–	(132,633)	–	–
School development fund	<u>694,053</u>	<u>–</u>	<u>–</u>	<u>(694,053)</u>	<u>–</u>	<u>–</u>
	<u>826,686</u>	<u>317,834</u>	<u>(190,745)</u>	<u>–</u>	<u>53,896</u>	<u>1,007,671</u>

Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with its purpose.

Endowment funds

	At 1 Nov 2019 £	Income £	Expenditure £	Gains and losses £	At 31 Oct 2020 £
Permanent Endowment Fund	<u>7,577,708</u>	<u>–</u>	<u>(27,209)</u>	<u>(549,207)</u>	<u>7,001,292</u>
	At 1 Nov 2018 £	Income £	Expenditure £	Gains and losses £	At 31 Oct 2019 £
Permanent Endowment Fund	<u>7,304,345</u>	<u>–</u>	<u>(29,389)</u>	<u>302,752</u>	<u>7,577,708</u>

Charles Williams Charity

Notes to the Financial Statements (continued)

Year ended 31 October 2020

19. Analysis of net assets between funds

	Unrestricted Funds £	Endowment Funds £	Total Funds 2020 £
Tangible fixed assets	343	2,850,000	2,850,343
Investments	648,919	4,151,292	4,800,211
Current assets	409,577	–	409,577
Creditors less than 1 year	(8,319)	–	(8,319)
Net assets	1,050,520	7,001,292	8,051,812

	Unrestricted Funds £	Endowment Funds £	Total Funds 2019 £
Tangible fixed assets	668	2,850,000	2,850,668
Investments	749,776	4,727,708	5,477,484
Current assets	265,779	–	265,779
Creditors less than 1 year	(8,552)	–	(8,552)
Net assets	1,007,671	7,577,708	8,585,379

20. Related parties

When the charity was set up, two separate functions were established one for the school and the other for the Church and Road Estate and they are kept separate.

During the year, Charles Williams Charity received investment income totalling £2,569 (2019: £2,974) on behalf of the Church and Road Estate. £2,974 was paid to the Church and Road Estate during the year. At the year-end, £2,569 was due to the Church and Road Estate (2019: £2,974) and is included in other creditors.

21. Commitments

The charity is committed to the building work at the Charles Williams CiW Primary School, with the support from the 21st Century Funding Project Committee.

Covid-19 is having a very significant impact on the timescale over which the work is being carried out. Its impact on all parties is much greater than the Board had first anticipated. In addition to this there are ongoing planning matters which are affected by the resident bats and CADW. The pandemic is also impacting on the availability and price of services and materials. Newport Norse (appointed Project Manager) is in frequent communication with Welsh Government (WG) about the extended period during which the work will be done.

The planned expenditure is likely to exceed the grant received from the Welsh Government and this is currently in the region of £150,000. The WG is being approached for additional funds. The predicted cost is £1,777,704. The charity's commitment to the total cost is 15%, the Welsh Government providing the balance of 85%.

Charles Williams Charity

Notes to the Financial Statements *(continued)*

Year ended 31 October 2020

21. Commitments *(continued)*

Whilst real progress is being made with the non-construction aspects of the project, actual work will not be starting for some time. The current schedule is outlined as followed:

Manual and domestic building	-	September 2021 to December 2021
Junior School classrooms	-	December 2021 to May 2022
Main reception	-	June 2022 – July 2022
Demountable classroom demolition	-	July 2022 – August 2022
Nursery playground	-	July 2022 – August 2022

Charles Williams Charity Church and Road Estate

Independent Auditor's Report to the Trustees of Charles Williams Charity Church and Road Estate

Year ended 31 October 2020

Opinion

We have audited the financial statements of Charles Williams Charity Church and Road Estate (the 'charity') for the year ended 31 October 2020 which comprise the statement of financial activities, statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 October 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Charles Williams Charity Church and Road Estate

Independent Auditor's Report to the Trustees of Charles Williams Charity Church and Road Estate (continued)

Year ended 31 October 2020

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept; 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 trustees

As explained more fully in the trustees' responsibilities statement, 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.

Charles Williams Charity Church and Road Estate

Independent Auditor's Report to the Trustees of Charles Williams Charity Church and Road Estate (continued)

Year ended 31 October 2020

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Charles Williams Charity Church and Road Estate

Independent Auditor's Report to the Trustees of Charles Williams Charity Church and Road Estate *(continued)*

Year ended 31 October 2020

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's 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 charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Kara Williams

Kara Williams (Apr 16, 2021 11:53 GMT+1)

Kara Williams BSc BFP FCA (Senior Statutory Auditor)

For and on behalf of
Ellis Lloyd Jones Audit Limited
Chartered accountants & statutory auditor
11 Park Square
Newport
South Wales
NP20 4EL

Apr 16, 2021

Charles Williams Charity Church and Road Estate

Statement of Financial Activities

Year ended 31 October 2020

		2020			2019
	Note	Unrestricted funds £	Endowment funds £	Total funds £	Total funds £
Income and endowments					
Investment income	4	2,583	—	2,583	2,994
Total income		<u>2,583</u>	<u>—</u>	<u>2,583</u>	<u>2,994</u>
Expenditure					
Expenditure on raising funds:					
Investment management costs	5	175	439	613	645
Total expenditure		<u>175</u>	<u>439</u>	<u>613</u>	<u>645</u>
Net (losses)/gains on investments	6	(2,107)	(5,280)	(7,388)	6,070
Net (expenditure)/income and net movement in funds		<u>301</u>	<u>(5,719)</u>	<u>(5,418)</u>	<u>8,419</u>
Reconciliation of funds					
Total funds brought forward		38,412	73,924	112,336	103,917
Total funds carried forward		<u>38,713</u>	<u>68,205</u>	<u>106,918</u>	<u>112,336</u>

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

The notes on pages 35 to 41 form part of these financial statements.

Charles Williams Charity Church and Road Estate

Statement of Financial Position

31 October 2020

	Note	2020 £	£	2019 £
Fixed assets				
Investments	9		95,419	103,419
Current assets				
Debtors	10	2,569		2,974
Cash at bank and in hand		8,930		5,943
		<u>11,499</u>		<u>8,917</u>
Net current assets			<u>11,499</u>	<u>8,917</u>
Total assets less current liabilities			<u>106,918</u>	<u>112,336</u>
Funds of the charity				
Endowment funds			68,205	73,924
Unrestricted funds			38,713	38,412
Total charity funds	11		<u>106,918</u>	<u>112,336</u>

These financial statements were approved by the board of trustees and authorised for issue on Apr 13, 2021, and are signed on behalf of the board by:


Julio Benavides (Apr 13, 2021 19:07 GMT+1)

Mr Julio Benavides
Trustee



Mr Keith Minton
Trustee

The notes on pages 35 to 41 form part of these financial statements.

Charles Williams Charity Church and Road Estate

Notes to the Financial Statements

Year ended 31 October 2020

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is School House, High Street, Caerleon, Newport, NP18 1AZ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

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

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Charles Williams Charity Church and Road Estate

Notes to the Financial Statements *(continued)*

Year ended 31 October 2020

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Charles Williams Charity Church and Road Estate

Notes to the Financial Statements (continued)

Year ended 31 October 2020

3. Accounting policies (continued)

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

4. Investment income

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019
	£	£	£	£
Income from listed investments	2,569	2,569	2,974	2,974
Bank interest receivable	14	14	20	20
	<u>2,583</u>	<u>2,583</u>	<u>2,994</u>	<u>2,994</u>

5. Investment management costs

	Unrestricted Funds	Endowment Funds	Total Funds 2020
	£	£	£
Portfolio management	<u>175</u>	<u>439</u>	<u>613</u>

	Unrestricted Funds	Endowment Funds	Total Funds 2019
	£	£	£
Portfolio management	<u>184</u>	<u>461</u>	<u>645</u>

Charles Williams Charity Church and Road Estate

Notes to the Financial Statements *(continued)*

Year ended 31 October 2020

6. Net (losses)/gains on investments

	Unrestricted Funds	Endowment Funds	Total Funds 2020
	£	£	£
Gains/(losses) on revaluation of investments	(1,647)	(4,128)	(5,776)
Gains/(losses) on disposals of investments	(460)	(1,152)	(1,612)
	<u>(2,107)</u>	<u>(5,280)</u>	<u>(7,388)</u>
	Unrestricted Funds	Endowment Funds	Total Funds 2019
	£	£	£
Gains/(losses) on revaluation of investments	1,816	4,550	6,366
Gains/(losses) on disposals of investments	(84)	(212)	(296)
	<u>1,732</u>	<u>4,338</u>	<u>6,070</u>

7. Staff costs

No salaries or wages have been paid to employees during the year.

8. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

Charles Williams Charity Church and Road Estate

Notes to the Financial Statements (continued)

Year ended 31 October 2020

9. Investments

	Cash or cash equivalents £	Listed investments £	Total £
Cost or valuation			
At 1 November 2019	311	103,108	103,419
Additions	–	24,819	24,819
Disposals	10,306	(37,350)	(27,044)
Fair value movements	–	(5,775)	(5,775)
At 31 October 2020	<u>10,617</u>	<u>84,802</u>	<u>95,419</u>
Impairment			
At 1 November 2019 and 31 October 2020			<u>–</u>
Carrying amount			
At 31 October 2020	<u>10,617</u>	<u>84,802</u>	<u>95,419</u>
At 31 October 2019	<u>311</u>	<u>103,108</u>	<u>103,419</u>

All investments shown above are held at valuation.

Financial assets held at fair value

Fixed asset investments are held at fair value in accordance with FRS102 SORP. The value is determined with reference to the portfolio managed by Smith & Williamson Investment Managers.

10. Debtors

	2020	2019
	£	£
Other debtors	<u>2,569</u>	<u>2,974</u>

Charles Williams Charity Church and Road Estate

Notes to the Financial Statements (continued)

Year ended 31 October 2020

11. Analysis of charitable funds

Unrestricted funds

	At 1 Nov 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Oct 2020 £
General Fund	38,412	2,583	(175)	–	(2,107)	38,713
Church Fund	–	–	–	–	–	–
	<u>38,412</u>	<u>2,583</u>	<u>(175)</u>	<u>–</u>	<u>(2,107)</u>	<u>38,713</u>

	At 1 Nov 2018 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Oct 2019 £
General Fund	–	2,994	(184)	33,870	1,732	38,412
Church Fund	33,870	–	–	(33,870)	–	–
	<u>33,870</u>	<u>2,994</u>	<u>(184)</u>	<u>–</u>	<u>1,732</u>	<u>38,412</u>

The Trustees decided that there is no requirement for the Church and Roads Estate Designated Church Fund at this time and so in 2019, the brought forward balance on the fund was transferred to the General Fund.

Endowment funds

	At 1 Nov 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Oct 2020 £
Expendable Endowment Fund	73,924	–	(439)	–	(5,280)	68,205

	At 1 Nov 2018 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Oct 2019 £
Expendable Endowment Fund	70,047	–	(461)	–	4,338	73,924

Charles Williams Charity Church and Road Estate

Notes to the Financial Statements (continued)

Year ended 31 October 2020

12. Analysis of net assets between funds

	Unrestricted Funds £	Endowment Funds £	Total Funds 2020 £
Investments	27,214	68,205	95,419
Current assets	11,499	–	11,499
Net assets	38,713	68,205	106,918

	Unrestricted Funds £	Endowment Funds £	Total Funds 2019 £
Investments	29,495	73,924	103,419
Current assets	8,917	–	8,917
Creditors less than 1 year	–	–	–
Net assets	38,412	73,924	112,336

13. Related parties

When the Charity was set up, two separate functions were established, one for the school and the other for the Church and Road Estate and the funds are kept separate.

During the year, Charles Williams Charity received investment income totalling £2,569 (2019: £2,974) on behalf of the Church and Road Estate. £2,974 was received from Charles Williams Charity during the year. At the year-end, £2,569 (2019: £2,974) was due to the Church and Road Estate which is included in other debtors.