

THE 1989 WILLAN CHARITABLE TRUST

England & Wales · Charity number 802749

Details

Status Registered

Legal form Trust

Registered 1990-01-17

Register [View on the Charity Commission register](#)

Contact

Address Community Foundation
Philanthropy House
Woodbine Road
Gosforth
Newcastle Upon Tyne
NE3 1DD

Phone 01912220945

Activities

Objects: FOR SUCH CHARITABLE INSTITUTIONS OR CHARITABLE PURPOSES AS THE TRUSTEES MAY IN THEIR ABSOLUTE DISCRETION THINK FIT. FOR FULL DETAILS, SEE SETTLEMENT.

Activities: makes grants to charitable causes, typically those within Tyne and Wear and its immediate surrounds which aim to ease social deprivation and / or enrich the fabric of the local community and / or the quality of life of individuals within that community

Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes
- **Who:** The General Public/mankind

Geography

- Darlington
- Durham
- Gateshead
- Hartlepool
- Middlesbrough
- Newcastle Upon Tyne City
- North Tyneside
- Northumberland
- South Tyneside
- Sunderland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-09-30	£444,482	£909,799	-	-
2024-09-30	£541,840	£950,999	£22,136,326	0
2023-09-30	£366,886	£926,449	-	-
2022-09-30	£445,097	£931,456	-	-
2021-09-30	£469,696	£700,460	-	-
2020-09-30	£505,018	£817,357	£21,165,198	0

Trustees

Name	Role	Appointed
FRANCIS ALLAN CHAPMAN		
MR ALEX OHLSSON		
WILLAN TRUSTEE LIMITED		

THE 1989 WILLAN CHARITABLE TRUST

England & Wales - Charity number 802749

Accounts

THE 1989 WILLAN CHARITABLE TRUST
FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 2025

CHARITY NO. 802749

THE 1989 WILLAN CHARITABLE TRUST

TRUSTEES' REPORT - Year Ended 30th September 2025

LEGAL AND ADMINISTRATIVE DETAILS

The Trustees submit their report and financial statements of The 1989 Willan Charitable Trust (the "Charity", or "Trust") for the year ended 30th September 2025. The financial statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the trust deed, the Charities Act 2011 and the Statement of Recommended Practice, Accounting and Reporting by Charities 2019 (FRS 102).

Legal Status The 1989 Willan Charitable Trust is a registered charity (registered number 802749)

Governing Document Trust Deed dated 8th August 1989

Trustees A Chapman
A Ohlsson
Willan Trustee Limited
(Directors - A Chapman, A Ohlsson, S Winfield, C Seccombe, and J Ramsbotham)

Key Management Personnel The Charity does not employ any staff and therefore the Trustees remain responsible for the day-to-day operation of the Charity

Administrators Carlton Management Services Limited
4th Floor Windward House
La Route De La Liberation
St Helier, Jersey
JE2 3BQ

Grant Advisors and Registered Address The Community Foundation
Philanthropy House
Woodbine Road
Gosforth
Newcastle upon Tyne
NE3 1DD

Bankers Santander Private Banking
PO Box 545
St. Helier, Jersey
JE4 8XG

Investment Managers BNY Mellon Fund Managers Limited
Client Service Centre
PO Box 366
Darlington
DL1 9RF

Brewin Dolphin Limited
Time Central
32 Gallowgate
Newcastle Upon Tyne
NE1 4SR

McInroy & Wood Limited
Easter Alderston
Haddington
East Lothian
EH41 3SF

Baillie Gifford
Calton Square
1 Greenside Row
Edinburgh
EH1 3AN

CCLA Investment Management Limited
One Angel Lane
London
EC4R 3AB

Solicitors Ward Hadaway LLP
Sandgate House
102 Quayside
Newcastle Upon Tyne
NE1 3DX

Auditors Azets Audit Services
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

THE 1989 WILLAN CHARITABLE TRUST

TRUSTEES' REPORT - Year Ended 30th September 2025

AIMS AND OBJECTIVES

The 1989 Willan Charitable Trust (the "Charity" or "Trust") was established by an initial gift from the Willan family out of funds originating from a shipping business based in the North East of England. Over the years the Willan family have settled further funds on the Charity.

The Charity's trust deed gives the trustees wide powers to distribute the income of the trust and such of its capital as they deem appropriate to or for such charitable institutions or charitable purposes as the trustees in their absolute discretion think fit. However, within this broad remit, the trustees recognise that the resources of the Trust are finite and that it is therefore necessary to target funds more selectively to areas where the funds can be used most effectively and can make the most difference.

In recognition of the origins of the Trust fund and the economic impact that the decline of the ship building industry has had on the region, the trustees tend to concentrate their support towards causes which are active in Tyne and Wear and its immediate surrounds. The trustees favour causes which aim to ease social deprivation and / or enrich the fabric of the local community and the quality of life of individuals within that community. They may also support education where that is aimed at improving the economy in areas of deprivation. As well as direct support for such causes in the form of grants, the trustees may also provide indirect support, using the Trust's capital to make resources (typically premises) available to other deserving charitable organisations.

The trustees aim to distribute approximately £825,000 per annum based on a real return of 4% upon the trust assets.

PUBLIC BENEFIT STATEMENT

The trustees have referred to guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. The charitable objectives are also set in order to provide a clear and demonstrated public benefit.

The Charity's activities throughout the period were consistent with its aims and objectives as stated above. All such activities are undertaken to further our charitable purposes for the public benefit.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is an unincorporated trust constituted under a trust deed dated 8th August 1989 and is a registered charity (numbered 802749). The trust deed provides that there be a minimum of three trustees. The trustees are appointed by members of the Willan family and serve for an indefinite term. The trustees who served the Charity during the year were:

A Chapman
A Ohlsson
Willan Trustee Limited

The Charity does not actively fundraise and seeks to continue its support to appropriate charitable causes through the careful stewardship of its existing resources. The management of the Charitable fund is divided into two principal areas, asset management and grant making.

Responsibility for the asset management function is delegated to external investment managers. Brewin Dolphin Securities Limited, Baillie Gifford, CCLA Investment Management Limited (manage the "COIF Fund"), BNY Mellon Investment Managers Limited (manage the "Newton Fund"), and McInroy & Wood Limited manage investment portfolios for the Charity under discretionary investment management, or fund management, agreements. The trustees monitor the performance of the portfolios on a quarterly basis against relevant benchmarks.

The trustees are grateful to the Community Foundation serving Tyne & Wear and Northumberland (the "Community Foundation"). Applications are processed, collated and shortlisted by the Community Foundation on a quarterly basis. A subcommittee of the board of Willan Trustee Limited meet each quarter to vet the shortlist. The shortlist is then circulated to each of the trustees for consideration and approval.

Carlton Management Services Limited, a licenced trust company regulated by the Jersey Financial Services Commission, provides administrative and accounting services to the Charity.

The trustees aim to meet at least once a year to review the Charity's financial statements for the preceding year, the performance of its assets and its grant making activities and to consider whether changes are required in the Charity's policies and overall strategy.

THE 1989 WILLAN CHARITABLE TRUST

TRUSTEES' REPORT - Year Ended 30th September 2025 (Continued)

RECRUITMENT OF TRUSTEES

Any trustee vacancies which arise are filled by search with due regard to maintaining a proper balance of skills and experience within the Board. Representation relevant to the service user group is a key factor given the Charity's mission.

All appointments are subject to the approval by members at a general meeting. With the notice of such meeting members are provided with a profile of prospective new trustees - and equivalent information for any trustee offering themselves for re-election. Additionally a full attendance record is provided to members to inform their decisions.

TRUSTEE INDUCTION AND TRAINING

New trustees are provided with a proper induction process and a checklist ensures they receive all relevant papers and guidance to properly fulfil their responsibilities. Briefing papers and familiarisation training is affected for all trustees as deemed necessary.

RISK MANAGEMENT

The trustees have considered the major risks to which the Charity is exposed and have established systems and procedures to manage those risks.

RESERVES POLICY

The results for the year leave The 1989 Willan Charitable Trust with an Unrestricted Revenue Reserve of £22,746,396 (2024: £22,136,326). It can be seen that of this sum, £55,772 (2024: £195,574) is held in Net Current Assets, that is represented by cash and net debtors and therefore readily expendable by the trustees.

The trustees aim to distribute approximately £825,000 per annum based on a real return of 4% upon the trust assets. It is the policy of the Charity to maintain a free cash balance of approximately six months' unrestricted expenditure. This provides sufficient funds to cover management, administration and support costs and to respond to applications for grants which arise from time to time.

The trustees have reviewed activities and prepared a risk assessment to enable them to consider the financial position of the Charity. On conclusion of this work the trustees, having considered both the significant level of cash and investments held by the Charity, consider that there are no material uncertainties regarding the Charity's ability to continue as a going concern for the next 12 months.

FINANCIAL REVIEW

As at 30 September 2025 the allocation in investment portfolios stood as follows:

Manager	Allocation	
	2025	2024
Baillie Gifford	40.4%	40.4%
Brewin Dolphin	24.2%	25.0%
Newton Growth and Income Fund for Charities	13.1%	12.4%
COIF Charity Fund	11.6%	12.2%
McInroy & Wood Balanced Fund	10.7%	8.7%
UBS	-	1.2%

Equity markets have delivered strong gains over the period, led by companies linked to artificial intelligence, which have powered a broad re-rating of global equities. The MSCI World Equity Index in sterling terms has risen 16.8% since 30 September 2024, with performance concentrated in large-cap technology and communication services. Style dispersion is notable, the MSCI World Growth Index is up 21.6% over the same period, significantly outpacing the 9.6% gain for the MSCI World Value Index. Bond markets have been positive but far more muted, as higher starting yields were partly offset by shifting expectations for the path of policy rates.

The Bloomberg Barclays Global Aggregate Bond Index, unhedged in sterling, is up 2.0% since 30 September 2024. Currency moves have been relatively modest, with sterling appreciating by 0.5% against the US dollar.

THE 1989 WILLAN CHARITABLE TRUST**TRUSTEES' REPORT - Year Ended 30th September 2025 (Continued)****FINANCIAL REVIEW (Continued)**

All portfolios except for COIF Charity Fund and McInroy & Wood Balanced Fund outperformed the ARC Charities Index (the Trust's reference benchmark), which rose by 7.6% over the year.

	Performance	
	2025	2024
Manager		
Baillie Gifford	9.8%	16.0%
Brewin Dolphin	8.4%	14.8%
Newton Growth and Income Fund for Charities	10.1%	13.0%
COIF Charity Fund	(1.5%)	12.5%
McInroy & Wood Balanced Fund	1.0%	(1.1%)
UBS	-	14.6%

Total interest and dividend income was £420,734 (2024: £460,000) equal to a yield of approximately 1.9% (2024: 2.1%). This is consistent with both historic levels, and the trustees' expectations. The value of investment portfolios rose by 3.8% (2024: rose by 8.1%) (net of fees and distributions) to £22,438,842 (2024: £21,612,144).

REVIEW OF GRANT MAKING ACTIVITIES

The Community Foundation have been responsible for payments of grants (under the "Philanthropy Agreement" initially dated September 2020 and extended to July 2026) and administer these from the funds held. Any monies paid to The Community Foundation under the Philanthropy Agreement will become an irrevocable gift. The Charity donated £695,081 (2024: £707,074) to The Community Foundation in the financial year, to be distributed in accordance with the Philanthropy Agreement.

In addition to the grant making activity outlined above, the Charity gifted an additional £106,509 (2024: £76,900) in total to the universities of Sunderland, Teesside, and Northumbria, in order to provide support to graduates seeking to fund viable, sustainable new business ventures.

As detailed in the accounting policy: gifts in kind, the Charity also made effective donations totalling £23,748 (2024: £40,920) in respect of lease arrangements made with other charitable organisations to provide access to accommodation at a below market value rental. In addition, the charity made a monetary donation of £nil (2024: £31,896) to those charitable organisations in respect of property dilapidations costs.

The trustees believe the services of the Community Foundation are delivering real value in helping the trustees to identify causes consistent with the stated aims and objectives of the Charity. In addition, the trustees recognise that the administration fees paid by the Charity to the Community Foundation indirectly support the charitable purposes of the Community Foundation itself which are wholly consistent with those of the Charity.

FUNDRAISING DISCLOSURES

The Charity is required to report how it deals with fundraising from the public. The Charity does not actively fundraise and seeks to continue its support to appropriate charitable causes through the careful stewardship of its existing funds, received from the Willan family.

PLANS FOR FUTURE YEARS

The trustees do not anticipate significant changes to the structure, resources, or operations of the Charity in the foreseeable future. However, to the extent that suitable charitable projects may be identified, the trustees may consider allocating a portion of the Charity's grant making capacity to providing significant support to a limited number of specific charitable projects.

THE 1989 WILLAN CHARITABLE TRUST

TRUSTEES' REPORT - Year Ended 30th September 2025 (Continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with Financial Reporting Standard applicable in the United Kingdom (FRS 102). The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and the income and expenditure 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 Charities SORP;
- make judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The trustees are responsible for keeping proper 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 Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

AUDITOR

Azets Audit Services have indicated their willingness to stand for reappointment at the forthcoming Annual General Meeting.

Approved by the Trustees on 06 May 2026

and signed on their behalf by:

Signed by:



704F1589F6C9406...

A Ohlsson
Trustee

THE 1989 WILLAN CHARITABLE TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES Year Ended 30th September 2025

Opinion

We have audited the financial statements of The 1989 Willan Trust (the 'charity') for the year ended 30 September 2025, comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 30 September 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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

In auditing the financial statements, we have concluded that the Trustee's 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 entity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

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 our 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' Annual Report.

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

- sufficient accounting records have not been kept; or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified.
- we have not received all the information and explanations we require for our audit.

THE 1989 WILLAN CHARITABLE TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES Year Ended 30th September 2025 (continued)

Statement of trustees' responsibilities

As explained more fully in the statement of Trustees' Responsibilities in relation to the financial statements [set out on page 5], 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 responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: and compliance with the Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions in the financial statements, the less likely the auditor is to become aware of it or recognise the non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the report

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

.....
Graham Fitzgerald BA, FCA, DChA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services, Statutory Auditor
Bulman House, Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS
Date: 7 May 2026

Azets Audit Services is a trading name of Azets Audit Services Limited.

Azets Audit Services Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE 1989 WILLAN CHARITABLE TRUST**STATEMENT OF FINANCIAL ACTIVITIES - Year Ended 30th September 2025**

	Notes	Year ended 30 Sep 2025 £	Year ended 30 Sep 2024 £
INCOME			
Income from charitable activities	2	23,748	40,920
Other incoming resources:			
Dividends and Fixed Interest (Net)	3	415,048	450,866
Deposit Interest Received		5,686	9,134
TOTAL INCOME		<u>444,482</u>	<u>500,920</u>
EXPENDITURE			
Cost of raising funds:			
Investment Portfolio Management Fees	9	29,006	42,114
Expenditure on charitable activities:			
Gift in Kind	5	23,748	40,920
Donations	6	801,590	815,870
Cost of Grant Making	7	55,455	52,095
TOTAL EXPENDITURE		<u>909,799</u>	<u>950,999</u>
Revaluation of Investment Property	8	-	30,224
Realised gains/(losses) on disposal of Investment Property	8	(12,353)	-
Movement on Investments including Gains & Losses	9	1,087,740	2,268,968
NET MOVEMENT IN TRUST FUND		<u>610,070</u>	<u>1,849,113</u>
Total funds brought forward		22,136,326	20,287,213
Total funds carried forward		<u><u>22,746,396</u></u>	<u><u>22,136,326</u></u>

All activities above relate to Unrestricted Funds.

THE 1989 WILLAN CHARITABLE TRUST

BALANCE SHEET - At 30th September 2025

	Notes	30 Sep 2025 £	30 Sep 2024 £
FIXED ASSETS			
Investment Property:	Held for long term	8	-
	Held for sale	8	95,108
Investments:	Investment Portfolios	9	151,108
	Programme Related Investments	10	21,612,144
			50,000
		<u>22,690,624</u>	<u>21,940,752</u>
CURRENT ASSETS			
Accrued bank interest income		-	1,927
Debtors		756	489
Cash at Bank		72,155	395,357
		<u>72,911</u>	<u>397,774</u>
CURRENT LIABILITIES			
CREDITORS: Amounts falling due within one year	11	17,139	202,200
		<u>17,139</u>	<u>202,200</u>
NET CURRENT ASSETS			
		<u>55,772</u>	<u>195,574</u>
NET ASSETS			
		<u>22,746,396</u>	<u>22,136,326</u>
TRUST FUND	(Page 8)	<u>22,746,396</u>	<u>22,136,326</u>

The financial statements were approved by the Trustees on 06 May 2026

and signed on their behalf by:

Trustee
Willan Trustee Limited

Signed by:

704F1589F6C9406...
A Ohlsson
Director

Signed by:

90639B9E3D234B2...
F A Chapman
Director

THE 1989 WILLAN CHARITABLE TRUST**STATEMENT OF CASH FLOWS - At 30th September 2025**

	Notes	30 Sep 2025 £	30 Sep 2024 £
OPERATING ACTIVITIES:			
Net Movement in Trust Fund		610,070	1,849,113
Adjusted for:			
Movement on investments including gains and losses	9	(1,087,740)	(2,268,968)
Revaluation of Investment Property	8	-	(30,224)
Realised (gains)/losses on disposal of Investment Property	8	12,353	-
(Increase) / decrease in debtors		1,661	(1,115)
Increase / (decrease) in creditors	11	(185,061)	7,950
Net Cash Outflow from Operating Activities		(648,717)	(443,244)
INVESTING ACTIVITIES:			
Dividends and fixed interest	9	(415,048)	(450,866)
Purchase of investments	9	(500,000)	(4,900,000)
Investment management fees	9	29,006	42,114
Withdrawals from investment portfolios	9	1,147,084	5,962,883
Purchase of Programme Related Investments	10	(50,674)	(25,000)
Proceeds from disposal of investment properties	8	115,147	-
Net Cash Inflow from Investing Activities		325,515	629,131
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(323,202)	185,887
CASH AND CASH EQUIVALENTS AT 1 OCTOBER		395,357	209,470
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER		72,155	395,357

THE 1989 WILLAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2025

1. ACCOUNTING POLICIES

- Accounting Convention -

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

The 1989 Willan Charitable Trust (the "Trust", or "Charity") meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recorded at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. The financial statements are prepared in sterling, which is the functional and presentational currency of the entity.

- Investment Property -

Property is shown at its fair value, which is taken to equal its market value, as estimated by the trustees. Any gain or loss on revaluation is taken to the Statement of Financial Activities. Property is held for the benefit of UK Registered Charities and the trustees do not receive commercial rent but account for the value of the commercial rent as rental income and as charitable donation. As property is held for long term capital gain and does not contribute to the net income of The 1989 Willan Charitable Trust, the trustees believe that it is not therefore appropriate to charge depreciation.

- Investments -

Investments are stated at their fair value, which is taken to equal the closing mid-market value as at 30th September 2025 (being the last working day of the year), net of any accrued management fees payable. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

- Programme Related Investments ("PRIs") -

PRIs are separately held from the Charity's other investments and are held at net recoverable cost. The PRIs represent loans and equity Investments made by the Charity into new start-up companies with the potential to increase economic activity and employment in the North East of England. At each year end, the trustees assess the likelihood of recovery and provide against these investments, reducing the value of the investments. Where PRIs are impaired at the year end, the Charity charges 'charitable activities' within resources expended. Where a gain is made upon disposal of a PRI, then the gain is reported under 'other incoming resources'.

- Debtors -

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

- Cash at bank and in hand -

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

- Creditors and provisions -

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

- Taxation -

The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE 1989 WILLAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2025 (continued)

1. ACCOUNTING POLICIES (continued)

- Income -

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Interest receivable is recognised on a receivable basis, when the amount can be measured reliably - this is normally upon notification of the interest paid or payable by the bank.

- Investment Income -

Investment income is accounted for in the period in which the Charity is entitled to receipt.

- Gift in Kind -

Income from commercial trading activities is recognised as earned (as the related goods and services are provided) and as the rental and service charge falls due. Income regarded as "Rental income from properties" is included as a gift in kind based on the market rental value of each property, because the Charity has entered into lease arrangements with charitable organisations to provide accommodation at below market rental value, often for £Nil consideration.

The trustees recognise that in doing so, these type of transactions continue to further their Charity's objectives and are similar to the Charity providing donations to these other charitable organisations. As a result the trustees have recorded the market value of the property rental as "Income from Charitable Activities - Rental Income from Properties" and an identical charge included as a "Gift in Kind" as part of Resources Expended in the Statement of Financial Activities ("SOFA"). This has a £Nil impact on the reported result for the year, but recognises both the income that would be otherwise received and the effective donation made. This treatment does not impact upon the basis for holding these properties, for their capital gain potential rather than their social purpose.

- Expenditure -

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds are those costs of investments management fees, together with their associated support costs.
- Expenditure on charitable activities includes the costs associated with the provision of grant making and include both the direct costs and support costs relating to the activities of the Charity.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

- Donations to the Community Foundation -

In September 2020, the Charity entered into a Philanthropy Agreement with The Community Foundation, who are responsible for payments of grants and administer these from the funds held. Any donations paid to The Community Foundation under the agreement will become an irrevocable gift, recognised within donations in the Statement of Financial Activities. In 2023, the Philanthropy Agreement was extended to July 2026.

- Fund Accounting -

The trustees have adopted an absolute return approach to investment, aiming to generate (and distribute) a real return on the Charity's assets averaging 3-4% p.a. over the economic cycle. The Trust Deed makes no material distinction between the distribution of capital and the distribution of income, hence the Trust Fund balance is not segregated between them.

- Going Concern -

The trustees have reviewed activities and considered the Charity's financial position. The Trust has a significant level of cash and investments, and a net current asset and net asset position. The Trustees do not believe there are any material uncertainties regarding the Charity's ability to continue as a going concern for the next 12 months. Given this, the Trustees believe the Trust will be able to meet its obligations as they fall due for at least 12 months from approval of these financial statements and the financial statements have been prepared on a going concern basis.

THE 1989 WILLAN CHARITABLE TRUST**NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2025 (continued)****2. INCOME FROM CHARITABLE ACTIVITIES**

	30 Sep 2025 £	30 Sep 2024 £
Rental income from properties	23,748	40,920

3. INVESTMENT INCOME

	30 Sep 2025 £	30 Sep 2024 £
UK Equities	38,279	96,327
UK Fixed Interest	42,988	40,778
UK Unit Trusts	-	18,951
Non UK Equities	47,864	61,805
Non UK Fixed Interest	3,057	43,996
Alternative Investments	24,752	9,262
Managed Funds	258,108	179,747
	<u>415,048</u>	<u>450,866</u>

4. TRUSTEES' REMUNERATION

No salaries or wages have been paid to employees, including the members of the committee during the year (2024: None).

5. GIFTS IN KIND

	30 Sep 2025 £	30 Sep 2024 £
Rental donations	23,748	40,920

As detailed in Note 8, the Trust owns property which is let to a registered charity at peppercorn rent. The commercial value of the rental for the period was approximately £23,748 (2024: £40,920). These amounts have been shown as rental income and as donations in kind. A full list of grants awarded is available on request from The Community Foundation at the address on page 1.

6. DONATIONS

	30 Sep 2025 £	30 Sep 2024 £
Donations to The Community Foundation	695,081	707,074
Donations to Universities	106,509	76,900
Donations to Changing Lives	-	31,896
	<u>801,590</u>	<u>815,870</u>

THE 1989 WILLAN CHARITABLE TRUST**NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2025 (continued)****7. COST OF GRANT MAKING**

	30 Sep 2025 £	30 Sep 2024 £
The Community Foundation administration fees	34,754	35,354
Audit and accountancy fees	11,040	10,200
Legal and professional fees	5,429	5,501
Property related expenses	3,241	-
Travel costs	632	-
Insurance expense	209	950
Bank charges	150	90
	<u>55,455</u>	<u>52,095</u>

Analysis of Donations to Universities:-

	£	£
Teesside University	64,300	32,300
Sunderland University	17,279	25,600
Northumbria University	24,930	19,000
	<u>106,509</u>	<u>76,900</u>

The Trust has a rolling annual agreement with the universities listed above, for up to £33,000 per year at the trustees' discretion. The 2025/26 grant making round for Teesside University fell earlier in the academic year than in previous years, and therefore the above figure effectively represents two years' worth of donations.

8. INVESTMENT PROPERTY

Summary	Held for sale 30 Sep 2025 £	Held for long term 30 Sep 2025 £	Total 30 Sep 2025 £	Total 30 Sep 2024 £
Cost or valuation at beginning of period	183,500	95,108	278,608	248,384
Disposals - net of transaction costs	(115,147)	-	(115,147)	-
Transfer from held for long term / to held for sale	95,108	(95,108)	-	-
Revaluations in year	-	-	-	30,224
Realised gain/(loss) on disposal of Investment Property	(12,353)	-	(12,353)	-
Cost or valuation at end of period	<u>151,108</u>	<u>-</u>	<u>151,108</u>	<u>278,608</u>

By property -	Held for sale 30 Sep 2025 £	Held for long term 30 Sep 2025 £	Total 30 Sep 2025 £	Total 30 Sep 2024 £
15 Taylor Street, Blyth, Northumberland	34,666	-	34,666	34,666
77 Vine Street, South Shields, Tyne & Wear	-	-	-	57,500
15 Chichester Road, South Shields, Tyne & Wear	56,000	-	56,000	56,000
96 Northbourne Street, Gateshead, Tyne & Wear	-	-	-	70,000
100 Hallside Road, Blyth, Northumberland	60,442	-	60,442	60,442
	<u>151,108</u>	<u>-</u>	<u>151,108</u>	<u>278,608</u>

THE 1989 WILLAN CHARITABLE TRUST**NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2025 (continued)****8. INVESTMENT PROPERTY (continued)**

All of the properties were freehold apart from 96 Northbourne Street which was leasehold.

15 Taylor Street was purchased on 17th June 2014 and let from 20th August 2014 to a registered charity for a peppercorn rent. The commercial value of the rent is approximately £8,160 p.a. (2024: £7,560).

100 Hallside Road was purchased on 12th November 2014 and was let from 4th February 2015 to a registered charity for a peppercorn rent. The commercial value of the rent for 100 Hallside Road was approximately £9,240 p.a. (2024: £8,520). Post year end, the Trustees sold 15 Taylor Street and 100 Hallside Road to the third party charity which leased the property. Sales prices were agreed post year end as £90,000 and £65,000 respectively, based on independent third party valuations. The sales completed on 26 February 2026.

As the sales prices were agreed post year end, this was considered a non-adjusting event and due to the risk of non-completion, the properties are held at their historic cost in the financial statements.

77 Vine Street, 15 Chichester Road, and 96 Northbourne Street were purchased on 11th September 2014, 26th September 2014, and 11th August 2014 respectively and were let to a registered charity for a peppercorn rent. The commercial value of the rent for these properties is approximately £27,000 p.a. (2024: £24,840). 77 Vine Street was sold to a third party on 17 June 2025, and 96 Northbourne Street on 22 August 2025.

At year end, 15 Chichester Road was held at the latest accepted offer price (which subsequently did not complete) during the year. Post year end on 2nd February 2026, the property was sold for £46,000.

The title deeds of the properties are currently held in the name of Willan Properties No1 Limited, Willan Properties No2 Limited and Willan Trustee Limited as the Charity is unincorporated and is not able to hold property directly. All three companies are controlled by the trustees of the Charity (Willan Trustee Limited being a trustee directly) and therefore have taken the view that the properties were beneficially owned by the Charity.

9. INVESTMENT PORTFOLIOS

	30 Sep 2025 £	30 Sep 2024 £
Market value at beginning of year	21,612,144	19,997,306
Income	415,048	450,867
Additions	500,000	4,900,000
Additions - within investment portfolios	652,741	1,699,493
Disposals - within investment portfolios	(652,741)	(1,699,493)
Expenses	(29,006)	(42,114)
Withdrawals	(1,147,084)	(5,962,883)
Movement on investments including gains and losses	1,087,740	2,268,968
Market value at year end	<u>22,438,842</u>	<u>21,612,144</u>
Held as follows:-	£	£
UK Equities	3,962,719	3,971,439
UK Fixed Interest	2,206,634	1,724,432
Non UK Equities	12,653,803	12,198,761
Non UK Fixed Interest	1,821,676	1,978,761
Alternative Investments	1,150,020	1,198,047
Investment Dealing Accounts	654,772	553,458
Accrued Management Fees	(10,782)	(12,754)
	<u>22,438,842</u>	<u>21,612,144</u>

THE 1989 WILLAN CHARITABLE TRUST**NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2025 (continued)****9. INVESTMENT PORTFOLIOS (continued)**

Investments were held by:-

	£	£
Brewin Dolphin Newcastle - Discretionary portfolio	5,422,691	5,407,514
UBS AG Newcastle - Discretionary portfolio	-	264,361
Baillie Gifford - Managed Fund	9,076,117	8,733,059
CCLA Investment Managers - COIF Charity Fund	2,601,355	2,641,723
BNY Mellon - Newton Growth and Income Fund for Charities	2,937,702	2,686,364
McInroy & Wood - Balanced Fund	2,400,977	1,879,123
	<u>22,438,842</u>	<u>21,612,144</u>

Investment portfolios were managed by Brewin Dolphin Newcastle, UBS AG Newcastle (closed during 2025), Baillie Gifford, CCLA Investment Management Limited, BNY Mellon Investment Managers Limited, and McInroy & Wood Limited. Aside from Brewin Dolphin, all investments at year end were held in managed funds, and therefore allocation between investment types were on a "look-through" basis.

	30 Sep 2025 £	30 Sep 2024 £
Historic Cost	<u>17,112,736</u>	<u>17,294,605</u>

10. PROGRAMME RELATED INVESTMENTS

	30 Sep 2025 £	30 Sep 2024 £
<u>Cost</u>		
As at 1 October	75,000	50,000
Additions - Semester Student Planner Limited ("Semester")	-	25,000
Additions - Venture Sunderland Fund LP	50,674	-
As at 30 September	<u>125,674</u>	<u>75,000</u>
<u>Impairment</u>		
As at 1 October - Komotion Limited	(25,000)	(25,000)
Impairment	-	-
As at 30 September	<u>(25,000)</u>	<u>(25,000)</u>
<u>Carrying Value</u>		
Programme Related Investment balance as at 30 September	<u>100,674</u>	<u>50,000</u>

In 2018, the Charity made an equity investment in Komotion Limited, a start-up with the potential to increase economic activity and employment in the North East of England. At 30 September 2018, the investment was fully impaired, and at year end the trustees agreed it should remain fully impaired. Komotion Limited was dissolved on 19 November 2024.

In July 2022, the Charity invested in Semester, a start-up company established by Teesside University graduates, which focuses on the mental health of students and university employees, which has the potential to increase economic activity and employment. The Charity invested £50,000 in return for 45 preference shares; equating to 20% preferred equity. Given the early-stage of the start-up, and the viable business model which is currently cash-generating, the Trustees consider cost to be a reasonable approximation of fair value for this investment.

In May 2025, the Charity invested in Venture Sunderland Fund LP (the "Fund"), a fund managed by Northstar Ventures Limited, which aims to invest in small and medium sized companies in Sunderland, England. The Charity has committed £500,000 to the Fund however only a portion had been drawn by year end - as above. The investment is held at cost, which - given the early stage of investment - the Trustees consider equivalent to its fair value.

THE 1989 WILLAN CHARITABLE TRUST**NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2025 (continued)****11. CREDITORS: Amounts Falling Due Within One Year**

	30 Sep 2025 £	30 Sep 2024 £
Grants payable - The Community Foundation	-	182,910
Accrued investment review fee	6,000	6,000
Accrued audit fees	11,040	10,200
Accrued legal and professional fees	-	3,090
Accrued property expenses	99	-
	<u>17,139</u>	<u>202,200</u>

12. TRUST FUND

The trustees have adopted an absolute return approach to investment, aiming to generate (and distribute) a real return on the Charity's assets averaging 3-4% per annum over the economic cycle. The Trust Deed makes no material distinction between the distribution of capital and the distribution of income and hence the balance of the Trust Fund is not segregated between them.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total £
Unrestricted Funds - 2025	<u>151,108</u>	<u>22,539,516</u>	<u>55,772</u>	<u>22,746,396</u>
Unrestricted Funds - 2024	<u>278,608</u>	<u>21,662,144</u>	<u>195,574</u>	<u>22,136,326</u>

14. RELATED PARTY TRANSACTIONS

Mr A A Ohlsson, trustee, is a director of Carlton Management Services Limited, the company providing accounting and administrative services to the Charity. There was no charge made in respect of such services in 2025 or 2024, and no outstanding balances at the year end. Within the year there were no related party transactions with the trustees to disclose (2024: £0).

Mr A A Ohlsson and Mr F A Chapman, trustees, are directors of Somerston Ventures Limited, a company which also held a 5% equity share in Komotion Limited, until the company's dissolution.

15. CAPITAL COMMITMENTS

The Charity had capital commitments of £449,326 at year end (2024: £0), relating to Venture Sunderland Fund LP (note 10).

16. CONTINGENT LIABILITIES

The Charity had contingent liabilities of £0 at the year end (2024: £0).

17. ULTIMATE CONTROLLING PARTY

In the opinion of the trustees there is no ultimate controlling party other than the trustees.

18. EVENTS AFTER THE REPORTING PERIOD

See note 8 for details of three investment properties sold post year end. There were no other events or conditions which took place after the reporting date, to the date of approval of these financial statements, which were significant enough to warrant disclosure in these financial statements.

THE 1989 WILLAN CHARITABLE TRUST

England & Wales - Charity number 802749

Accounts

THE 1989 WILLAN CHARITABLE TRUST
FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 2024

CHARITY NO. 802749

THE 1989 WILLAN CHARITABLE TRUST

TRUSTEES' REPORT - Year Ended 30th September 2024

LEGAL AND ADMINISTRATIVE DETAILS

The Trustees submit their report and financial statements of The 1989 Willan Charitable Trust (the "Charity", or "Trust") for the year ended 30th September 2024. The financial statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the trust deed, the Charities Act 2011 and the Statement of Recommended Practice, Accounting and Reporting by Charities 2019 (FRS 102).

Legal Status	The 1989 Willan Charitable Trust is a registered charity (registered number 802749)		
Governing Document	Trust Deed dated 8th August 1989		
Trustees	A Chapman A Ohlsson Willan Trustee Limited (Directors - A Chapman, A Ohlsson, S Winfield, C Seccombe, and J Ramsbotham)		
Key Management Personnel	The Charity does not employ any staff and therefore the Trustees remain responsible for the day-to-day operation of the Charity		
Administrators	Carlton Management Services Limited 4th Floor Windward House La Route De La Liberation St Helier, Jersey JE2 3BQ		
Grant Advisors and Registered Address	The Community Foundation Philanthropy House Woodbine Road Gosforth Newcastle upon Tyne NE3 1DD	Bankers	Santander Private Banking PO Box 545 St. Helier, Jersey JE4 8XG
Investment Managers	BNY Mellon Fund Managers Limited Client Service Centre PO Box 366 Darlington DL1 9RF		Brewin Dolphin Limited Time Central 32 Gallowgate Newcastle Upon Tyne NE1 4SR
	CCLA Investment Management Limited One Angel Lane London EC4R 3AB		UBS Wealth Management 2 St. James' Gate Newcastle Upon Tyne NE4 7JH
	McInroy & Wood Limited Easter Alderston Haddington East Lothian EH41 3SF		Baillie Gifford Calton Square 1 Greenside Row Edinburgh EH1 3AN
Solicitors	Ward Hadaway LLP Sandgate House 102 Quayside Newcastle Upon Tyne NE1 3DX	Auditors	Azets Audit Services Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

THE 1989 WILLAN CHARITABLE TRUST

TRUSTEES' REPORT - Year Ended 30th September 2024

AIMS AND OBJECTIVES

The 1989 Willan Charitable Trust (the "Charity" or "Trust") was established by an initial gift from the Willan family out of funds originating from a shipping business based in the North East of England. Over the years the Willan family have settled further funds on the Charity.

The Charity's trust deed gives the trustees wide powers to distribute the income of the trust and such of its capital as they deem appropriate to or for such charitable institutions or charitable purposes as the trustees in their absolute discretion think fit. However, within this broad remit, the trustees recognise that the resources of the Trust are finite and that it is therefore necessary to target funds more selectively to areas where the funds can be used most effectively and can make the most difference.

In recognition of the origins of the Trust fund and the economic impact that the decline of the ship building industry has had on the region, the trustees tend to concentrate their support towards causes which are active in Tyne and Wear and its immediate surrounds. The trustees favour causes which aim to ease social deprivation and / or enrich the fabric of the local community and the quality of life of individuals within that community. They may also support education where that is aimed at improving the economy in areas of deprivation. As well as direct support for such causes in the form of grants, the trustees may also provide indirect support, using the Trust's capital to make resources (typically premises) available to other deserving charitable organisations.

The trustees aim to distribute approximately £825,000 per annum based on a real return of 4% upon the trust assets.

PUBLIC BENEFIT STATEMENT

The trustees have referred to guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. The charitable objectives are also set in order to provide a clear and demonstrated public benefit.

The Charity's activities throughout the period were consistent with its aims and objectives as stated above. All such activities are undertaken to further our charitable purposes for the public benefit.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is an unincorporated trust constituted under a trust deed dated 8th August 1989 and is a registered charity (numbered 802749). The trust deed provides that there be a minimum of three trustees. The trustees are appointed by members of the Willan family and serve for an indefinite term. The trustees who served the Charity during the year were:

A Chapman
A Ohlsson
Willan Trustee Limited

The Charity does not actively fundraise and seeks to continue its support to appropriate charitable causes through the careful stewardship of its existing resources. The management of the Charitable fund is divided into two principal areas, asset management and grant making.

Responsibility for the asset management function is delegated to external investment managers. Brewin Dolphin Securities Ltd, UBS Wealth Management, Baillie Gifford, CCLA Investment Management Limited (manage the "COIF Fund"), BNY Mellon Investment Managers Limited (manage the "Newton Fund"), and McInroy & Wood Limited manage investment portfolios for the Charity under discretionary investment management, or fund management, agreements. The trustees monitor the performance of the portfolios on a quarterly basis against relevant benchmarks.

The trustees are grateful to the Community Foundation serving Tyne & Wear and Northumberland (the "Community Foundation"). Applications are processed, collated and shortlisted by the Community Foundation on a quarterly basis. A subcommittee of the board of Willan Trustee Limited meet each quarter to vet the shortlist. The shortlist is then circulated to each of the trustees for consideration and approval.

Carlton Management Services Limited, a licenced trust company regulated by the Jersey Financial Services Commission, provides administrative and accounting services to the Charity.

The trustees aim to meet at least once a year to review the Charity's financial statements for the preceding year, the performance of its assets and its grant making activities and to consider whether changes are required in the Charity's policies and overall strategy.

THE 1989 WILLAN CHARITABLE TRUST

TRUSTEES' REPORT - Year Ended 30th September 2024 (Continued)

RECRUITMENT OF TRUSTEES

Any trustee vacancies which arise are filled by search with due regard to maintaining a proper balance of skills and experience within the Board. Representation relevant to the service user group is a key factor given the Charity's mission.

All appointments are subject to the approval by members at a general meeting. With the notice of such meeting members are provided with a profile of prospective new trustees - and equivalent information for any trustee offering themselves for re-election. Additionally a full attendance record is provided to members to inform their decisions.

TRUSTEE INDUCTION AND TRAINING

New trustees are provided with a proper induction process and a checklist ensures they receive all relevant papers and guidance to properly fulfil their responsibilities. Briefing papers and familiarisation training is affected for all trustees as deemed necessary.

RISK MANAGEMENT

The trustees have considered the major risks to which the Charity is exposed and have established systems and procedures to manage those risks.

RESERVES POLICY

The results for the year leave The 1989 Willan Charitable Trust with an Unrestricted Revenue Reserve of £22,139,076 (2023: £20,287,213). It can be seen that of this sum, £195,574 (2023: £16,523) is held in Net Current Assets, that is represented by cash and net debtors and therefore readily expendable by the trustees.

The trustees aim to distribute approximately £825,000 per annum based on a real return of 4% upon the trust assets. It is the policy of the Charity to maintain a free cash balance of approximately six months' unrestricted expenditure. This provides sufficient funds to cover management, administration and support costs and to respond to applications for grants which arise from time to time.

The trustees have reviewed activities and prepared a risk assessment to enable them to consider the financial position of the Charity. On conclusion of this work the trustees, having considered both the significant level of cash and investments held by the Charity, consider that there are no material uncertainties regarding the Charity's ability to continue as a going concern for the next 12 months.

FINANCIAL REVIEW

As at 30 September 2024 the allocation in investment portfolios stood as follows:

Manager	Allocation	
	2024	2023
UBS	1.2%	26.9%
Brewin Dolphin	25.0%	25.6%
Baillie Gifford	40.4%	37.6%
COIF Charity Fund	12.2%	4.8%
Newton Growth and Income Fund for Charities	12.4%	5.0%
McInroy & Wood Balanced Fund	8.7%	-

A handful of giant technology companies coined the 'magnificent seven' have continued to bolster the equity markets. The Bloomberg Magnificent 7 Index is up +62.6% during the fiscal year under consideration. This rally has extended beyond the technology heavyweights over the past 12 months with the MSCI World Equity Index up +20.5% in sterling terms. This strength has been a function of several central banks cutting interest rates following moderating inflation and resilient employment.

China's economic challenges persisted throughout the year, leading the People's Bank of China (PBOC) to implement a series of stimulus measures aimed at boosting domestic demand and stabilising the troubled property market. This contributed to the MSCI Emerging Markets Index returning +14.6% over the year in sterling terms.

The Bloomberg Barclays Global Aggregate Bond index unhedged in sterling is up +1.9% over the past 12 months. Gold is up +30.0% in sterling terms over the fiscal year under consideration. Sterling appreciated against the US Dollar by +9.6%.

THE 1989 WILLAN CHARITABLE TRUST

TRUSTEES' REPORT - Year Ended 30th September 2024 (Continued)

FINANCIAL REVIEW (Continued)

Looking forward, the global financial landscape remains complex, with ongoing challenges from geopolitical tensions, demographic shifts, and structural economic changes.

All portfolios except for COIF Charity Fund and McInroy & Wood Balanced Fund outperformed the ARC Charities Index (the Trust's reference benchmark), which rose by 12.9% over the year.

Manager	Performance	
	2024	2023
UBS	14.6%	7.9%
Brewin Dolphin	14.8%	4.4%
Baillie Gifford	16.0%	6.0%
COIF Charity Fund	12.5%	4.3%
Newton Growth and Income Fund for Charities	13.0%	8.1%
McInroy & Wood Balanced Fund	-1.1%	-

Total interest and dividend income was £460,000 (2023: £329,206) equal to a yield of approximately 2.1% (2023: 1.6%). This is consistent with both historic levels, and the trustees' expectations. The value of investment portfolios rose by 8.1% (2023: rose by 1.9%) (net of fees and distributions) to £21,614,894 (2023: £19,997,306).

REVIEW OF GRANT MAKING ACTIVITIES

The Community Foundation have been responsible for payments of grants (under the "Philanthropy Agreement" initially dated September 2020 and extended to July 2026) and administer these from the funds held. Any monies paid to The Community Foundation under the Philanthropy Agreement will become an irrevocable gift. The Charity donated £707,074 (2023: £703,000) to The Community Foundation in the financial year, to be distributed in accordance with the Philanthropy Agreement.

In addition to the grant making activity outlined above, the Charity gifted an additional £76,900 (2023: £72,073) in total to the universities of Sunderland, Teesside, and Northumbria, in order to provide support to graduates seeking to fund viable, sustainable new business ventures.

As detailed in the accounting policy: gifts in kind, the Charity also made effective donations totalling £40,920 (2023: £37,680) in respect of lease arrangements made with other charitable organisations to provide access to accommodation at a below market value rental. In addition, the charity made a monetary donation of £31,896 to another charitable organisation in respect of property dilapidations costs.

The trustees believe the services of the Community Foundation are delivering real value in helping the trustees to identify causes consistent with the stated aims and objectives of the Charity. In addition, the trustees recognise that the administration fees paid by the Charity to the Community Foundation indirectly support the charitable purposes of the Community Foundation itself which are wholly consistent with those of the Charity.

FUNDRAISING DISCLOSURES

The Charity is required to report how it deals with fundraising from the public. The Charity does not actively fundraise and seeks to continue its support to appropriate charitable causes through the careful stewardship of its existing funds, received from the Willan family.

PLANS FOR FUTURE YEARS

The trustees do not anticipate significant changes to the structure, resources, or operations of the Charity in the foreseeable future. However, to the extent that suitable charitable projects may be identified, the trustees may consider allocating a portion of the Charity's grant making capacity to providing significant support to a limited number of specific charitable projects.

THE 1989 WILLAN CHARITABLE TRUST

TRUSTEES' REPORT - Year Ended 30th September 2024 (Continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with Financial Reporting Standard applicable in the United Kingdom (FRS 102). The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and the income and expenditure 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 Charities SORP;
- make judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The trustees are responsible for keeping proper 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 Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

AUDITOR

Azets Audit Services have indicated their willingness to stand for reappointment at the forthcoming Annual General Meeting.

Approved by the Trustees on 12 JUNE 2025 and signed on their behalf by:



A Ohlsson
Trustee

THE 1989 WILLAN CHARITABLE TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES Year Ended 30th September 2024

Opinion

We have audited the financial statements of The 1989 Willan Trust (the 'charity') for the year ended 30 September 2024, comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 30 September 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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

In auditing the financial statements, we have concluded that the Trustee's 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 entity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

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 our 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' Annual Report.

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

- sufficient accounting records have not been kept; or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified.
- we have not received all the information and explanations we require for our audit.

THE 1989 WILLAN CHARITABLE TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES Year Ended 30th September 2024 (continued)

Statement of trustees' responsibilities

As explained more fully in the statement of Trustees' Responsibilities in relation to the financial statements [set out on page 5], 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 responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: and compliance with the Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions in the financial statements, the less likely the auditor is to become aware of it or recognise the non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the report

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



.....
Graham Fitzgerald BA, FCA, DChA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services, Statutory Auditor
Bulman House, Regent Centre
Gosforth

Newcastle upon Tyne

NE3 3LS

Date: 12 June 2025

Azets Audit Services is a trading name of Azets Audit Services Limited.

Azets Audit Services Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE 1989 WILLAN CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES - Year Ended 30th September 2024

	Notes	Year ended 30 Sep 2024 £	Year ended 30 Sep 2023 £
INCOME			
Income from charitable activities	2	40,920	37,680
Other incoming resources:			
Dividends and Fixed Interest (Net)	3	450,866	326,958
Deposit Interest Received		9,134	2,248
TOTAL INCOME		500,920	366,886
EXPENDITURE			
Cost of raising funds:			
Investment Portfolio Management Fees	8	42,114	55,941
Expenditure on charitable activities:			
Gift in Kind	5	40,920	37,680
Cost of Grant Making	6	867,965	832,828
TOTAL EXPENDITURE		950,999	926,449
Revaluation of Investment Property	7	30,224	-
Movement on Investments including Gains & Losses	8	2,268,968	896,544
NET MOVEMENT IN TRUST FUND		1,849,113	336,982
Total funds brought forward		20,287,213	19,950,231
Total funds carried forward		22,136,326	20,287,213

All activities above relate to Unrestricted Funds.

THE 1989 WILLAN CHARITABLE TRUST

BALANCE SHEET - At 30th September 2024

	Notes	30 Sep 2024 £	30 Sep 2023 £	
FIXED ASSETS				
Investment Property:	Held for long term	7	95,108	248,384
	Held for sale	7	183,500	-
Investments:	Investment Portfolios	8	21,612,144	19,997,306
	Programme Related Investments	9	50,000	25,000
			<u>21,940,752</u>	<u>20,270,690</u>
CURRENT ASSETS				
Accrued bank interest income		1,927	-	
Debtors		489	1,303	
Cash at Bank		395,357	209,470	
		<u>397,774</u>	<u>210,773</u>	
CURRENT LIABILITIES				
CREDITORS: Amounts falling due within one year	10	202,200	194,250	
		<u>202,200</u>	<u>194,250</u>	
NET CURRENT ASSETS				
		<u>195,574</u>	<u>16,523</u>	
NET ASSETS				
		<u>22,136,326</u>	<u>20,287,213</u>	
TRUST FUND	(Page 8)	<u>22,136,326</u>	<u>20,287,213</u>	

The financial statements were approved by the Trustees on 12 JUNE 2025 and signed on their behalf by:

Trustee
Willan Trustee Limited

A Ohlsson
Director



F A Chapman
Director



THE 1989 WILLAN CHARITABLE TRUST

STATEMENT OF CASH FLOWS - At 30th September 2024

	Notes	30 Sep 2024 £	30 Sep 2023 £
OPERATING ACTIVITIES:			
Net Movement in Trust Fund		1,849,113	336,982
Adjusted for			
Movement on investments including gains and losses	8	(2,268,968)	(896,544)
Revaluation of Investment Property	7	(30,224)	-
(Increase) / Decrease in debtors		(1,115)	(1,040)
Increase / (decrease) in creditors	10	7,950	3,150
Net Cash Outflow from Operating Activities		(443,244)	(557,452)
INVESTING ACTIVITIES:			
Dividends and fixed interest	8	(450,866)	(326,958)
Purchase of investments	8	(4,900,000)	-
Investment management fees	8	42,114	55,941
Withdrawals from investment portfolios	8	5,962,883	805,000
Purchase of Programme Related Investment	9	(25,000)	-
Net Cash Inflow from Investing Activities		629,131	533,983
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		185,887	(23,469)
CASH AND CASH EQUIVALENTS AT 1 OCTOBER		209,470	232,939
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER		395,357	209,470

THE 1989 WILLAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2024

1. ACCOUNTING POLICIES

- Accounting Convention -

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

The 1989 Willan Charitable Trust (the "Trust", or "Charity") meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recorded at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. The financial statements are prepared in sterling, which is the functional and presentational currency of the entity.

- Investment Property -

Property is shown at its fair value, which is taken to equal its market value, as estimated by the trustees. Any gain or loss on revaluation is taken to the Statement of Financial Activities. Property is held for the benefit of UK Registered Charities and the trustees do not receive commercial rent but account for the value of the commercial rent as rental income and as charitable donation. As property is held for long term capital gain and does not contribute to the net income of The 1989 Willan Charitable Trust, the trustees believe that it is not therefore appropriate to charge depreciation.

- Investments -

Investments are stated at their fair value, which is taken to equal the closing mid-market value as at 30th September 2024 (being the last working day of the year), net of any accrued management fees payable. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

- Programme Related Investments ("PRIs") -

PRIs are separately held from the Charity's other investments and are held at net recoverable cost. The PRIs represent loans and equity investments made by the Charity into new start-up companies with the potential to increase economic activity and employment in the North East of England. At each year end, the trustees assess the likelihood of recovery and provide against these investments, reducing the value of the investments. Where PRIs are impaired at the year end, the Charity charges 'charitable activities' within resources expended. Where a gain is made upon disposal of a PRI, then the gain is reported under 'other incoming resources'.

- Debtors-

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

- Cash at bank and in hand-

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

- Creditors and provisions-

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

- Taxation-

The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE 1989 WILLAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2024 (continued)

1. ACCOUNTING POLICIES (continued)

- Income-

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Interest receivable is recognised on a receivable basis, when the amount can be measured reliably - this is normally upon notification of the interest paid or payable by the bank.

- Investment Income-

Investment income is accounted for in the period in which the Charity is entitled to receipt.

- Gift in Kind-

Income from commercial trading activities is recognised as earned (as the related goods and services are provided) and as the rental and service charge falls due. Income regarded as "Rental income from properties" is included as a gift in kind based on the market rental value of each property. This is due to the Charity entering into lease arrangements with charitable organisations to provide accommodation to those organisations at below market rental and often for £Nil consideration.

The trustees recognise that in doing so, these type of transactions continue to further their Charity's objectives and are similar to the Charity providing donations to these other charitable organisations. As a result the trustees have recorded the market value of the property rental as "Income from Charitable Activities - Rental Income from Properties" and an identical charge included as a "Gift in Kind" as part of Resources Expended in the Statement of Financial Activities ("SOFA"). This has a £Nil impact on the reported result for the year, but recognises both the income that would be otherwise received and the effective donation made. This treatment does not impact upon the basis for holding these properties, for their capital gain potential rather than their social purpose.

- Expenditure-

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds are those costs of investments management fees, together with their associated support costs.
- Expenditure on charitable activities includes the costs associated with the provision of grant making and include both the direct costs and support costs relating to the activities of the Charity.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

- Donations to the Community Foundation -

With effect from September 2020, the Charity entered into a Philanthropy Agreement with The Community Foundation, who are responsible for payments of grants and will administer these from the funds held. Any monies paid to The Community Foundation under the agreement will become an irrevocable gift. Donations to The Community Foundation are recognised within the cost of grant making in the Statement of Financial Activities. In 2023, the Philanthropy Agreement was extended to July 2026.

- Fund Accounting -

The trustees have adopted an absolute return approach to investment, aiming to generate (and distribute) a real return on the Charity's assets averaging 3-4% per annum over the economic cycle. The Trust Deed makes no material distinction between the distribution of capital and the distribution of income, hence the balance of the Trust Fund is not segregated between them.

- Going Concern -

The trustees have reviewed activities and considered the financial position of the organisation. The Trust has a significant level of cash and investments, and a net current asset and net asset position. Given this, the Trustees believe that the Trust will be able to meet its obligations as they fall due for at least 12 months from approval of these financial statements. The Trustees do not believe there are any material uncertainties regarding the Charity's ability to continue as a going concern for the next 12 months, and therefore the financial statements have been prepared on a going concern basis.

THE 1989 WILLAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2024 (continued)

2. INCOME FROM CHARITABLE ACTIVITIES

	30 Sep 2024 £	30 Sep 2023 £
Rental income from properties	40,920	37,680

3. INVESTMENT INCOME

	30 Sep 2024 £	30 Sep 2023 £
UK Equities	131,234	151,545
UK Fixed Interest	53,342	31,342
UK Unit Trusts	18,951	18,629
Non UK Equities	169,042	65,631
Non UK Unit Trusts	-	-
Non UK Fixed Interest	69,035	41,109
Alternative Investments	9,262	18,702
	<u>450,866</u>	<u>326,958</u>

4. TRUSTEES' REMUNERATION

No salaries or wages have been paid to employees, including the members of the committee during the year (2023: None).

5. GIFTS IN KIND

	30 Sep 2024 £	30 Sep 2023 £
Rental donations	40,920	37,680

6. COST OF GRANT MAKING

	30 Sep 2024 £	30 Sep 2023 £
Donations to The Community Foundation	707,074	703,700
Donations to Universities	76,900	72,073
Donations to Changing Lives	31,896	-
Administration fees	35,354	35,185
Investment review fee	-	12,000
Audit and accountancy fees	10,200	7,440
Legal and professional fees	5,501	2,400
Insurance expense	950	-
Bank charges	90	30
	<u>867,965</u>	<u>832,828</u>

Analysis of Donations to Universities:-

	£	£
Teesside University	32,300	30,900
Sunderland University	25,600	22,500
Northumbria University	19,000	18,673
	<u>76,900</u>	<u>72,073</u>

As detailed in Note 7, the Trust owns property which is let to registered charities at peppercorn rent. The commercial value of the rental for the period was approximately £40,920 (2023: £37,680). These amounts have been shown as rental income and as donations in kind. A full listing of grants awarded is available on request from The Community Foundation at the address listed on page 1.

THE 1989 WILLAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2024 (continued)

7. INVESTMENT PROPERTY

Summary	Held for sale	Held for long term	Total	Held for long term
	30 Sep 2024	30 Sep 2024	30 Sep 2024	30 Sep 2023
	£	£	£	£
Cost or valuation at beginning of period	-	248,384	248,384	248,384
Disposals	-	-	-	-
Transfer from held for long term / to held for sale	153,276	(153,276)	-	-
Revaluations in year	30,224	-	30,224	-
Cost or valuation at end of period	<u>183,500</u>	<u>95,108</u>	<u>278,608</u>	<u>248,384</u>

By property -	Held for sale	Held for long term	Total	Held for long term
	30 Sep 2024	30 Sep 2024	30 Sep 2024	30 Sep 2023
	£	£	£	£
15 Taylor Street, Blyth, Northumberland NE24 5NA	-	34,666	34,666	34,666
77 Vine Street, South Shields, Tyne & Wear NE33 4RG	57,500	-	57,500	49,195
15 Chichester Road, South Shields, Tyne & Wear NE33 4AA	56,000	-	56,000	50,661
96 Northbourne Street, Gateshead, Tyne & Wear NE8 4AH	70,000	-	70,000	53,420
100 Hallside Road, Blyth, Northumberland, NE24 5PF	-	60,442	60,442	60,442
	<u>183,500</u>	<u>95,108</u>	<u>278,608</u>	<u>248,384</u>

All of the above properties are freehold apart from 96 Northbourne Street which is leasehold.

The trustees believe the market value of the properties held for the long term are equal to their historic cost of £95,108 (2023: £248,384). The properties held for sale are valued based on agreed sales prices with independent third parties.

15 Taylor Street was purchased on 17th June 2014 and was let from 20th August 2014 to a registered charity for a peppercorn rent. The commercial value of the rent for 15 Taylor Street is approximately £7,560 per annum (2023: £6,960).

77 Vine Street, 15 Chichester Road, and 96 Northbourne Street were purchased on 11th September 2014, 26th September 2014, and 11th August 2014 respectively and are let to a registered charity for a peppercorn rent. The commercial value of the rent for these properties is approximately £24,840 per annum (2023: £22,920). Sales have been agreed for these properties - at the values above - and are ongoing.

100 Hallside Road, was purchased on 12th November 2014 and was let from 4th February 2015 to a registered charity for a peppercorn rent. The commercial value of the rent for 100 Hallside Road is approximately £8,520 per annum (2023: £7,800).

The title deeds of the properties are currently held in the name of Willan Properties No1 Limited, Willan Properties No2 Limited and Willan Trustee Limited as the Charity is unincorporated and is not able to hold property directly. All three companies are controlled by the trustees of the Charity (Willan Trustee Limited being a trustee directly) and therefore have taken the view that the properties are beneficially owned by the Charity.

THE 1989 WILLAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2024 (continued)

8. INVESTMENTS

	30 Sep 2024 £	30 Sep 2023 £
Market value at beginning of year	19,997,306	19,634,745
Income	450,867	326,958
Additions	4,900,000	-
Additions - within investment portfolios	1,699,493	4,326,020
Disposals - within investment portfolios	(1,699,493)	(4,326,020)
Expenses	(42,114)	(55,941)
Withdrawals	(5,962,883)	(805,000)
Movement on investments including gains and losses	2,268,968	896,544
Market value at year end	<u>21,612,144</u>	<u>19,997,306</u>
Held as follows:-	£	£
UK Equities	3,971,439	5,635,617
UK Fixed Interest	1,724,432	1,966,099
Non UK Equities	12,198,761	8,723,304
Non UK Fixed Interest	1,978,761	1,637,565
Alternative Investments	1,198,047	1,584,154
Investment Dealing Accounts	553,458	469,973
Accrued Management Fees	(12,754)	(19,406)
	<u>21,612,144</u>	<u>19,997,306</u>
Held by:-	£	£
Brewin Dolphin Newcastle - Discretionary portfolio	5,407,514	5,119,375
UBS AG Newcastle - Discretionary portfolio	264,361	5,376,135
Baillie Gifford - investment portfolio	8,733,059	7,528,902
CCLA Investment Managers - COIF Charity Fund	2,641,723	969,779
BNY Mellon - Newton Growth and Income Fund for Charities	2,686,364	1,003,115
McInroy & Wood portfolio - Balanced Fund	1,879,123	-
	<u>21,612,144</u>	<u>19,997,306</u>

Investment portfolios are managed by Brewin Dolphin Newcastle, UBS AG Newcastle, Baillie Gifford, CCLA Investment Management Limited, BNY Mellon Investment Managers Limited, and McInroy & Wood Limited.

	30 Sep 2024 £	30 Sep 2023 £
Historic Cost	<u>17,294,605</u>	<u>17,117,808</u>

THE 1989 WILLAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2024 (continued)

9. PROGRAMME RELATED INVESTMENTS

	30 Sep 2024 £	30 Sep 2023 £
<u>Cost</u>		
As at 1 October	50,000	50,000
Additions - Semester Student Planner Limited	25,000	-
As at 30 September	<u>75,000</u>	<u>50,000</u>
<u>Impairment</u>		
As at 1 October - Komotion Limited	(25,000)	(25,000)
Impairment	-	-
As at 30 September	<u>(25,000)</u>	<u>(25,000)</u>
<u>Carrying Value</u>		
Programme Related Investment Balances as at 30 September	<u>50,000</u>	<u>25,000</u>

In 2018, the Charity made an equity investment in Komotion Limited, a new start-up company with the potential to increase economic activity and employment in the North East of England. As at 30 September 2018, the Trustees were of the opinion that the investment should be fully impaired given its early stage development. Having reviewed the Programme Related Investment ("PRI") position at 30 September 2024, the Trustees have agreed the investment should remain fully impaired.

In July 2022, the Charity invested in Semester Student Planner Limited ("Semester"), a start-up company established by Teesside University graduates, which focuses on the mental health of students and university employees, which has the potential to increase economic activity and employment. The Charity invested £25,000 in return for 20 preference shares; equating to 10% preferred equity, with an additional £25,000 (a further 10% preferred equity, being 25 preference shares) agreed, and drawn on 27 December 2023. Given the early-stage of the start-up, and the viable business model which is currently cash-generating, the Trustees consider cost to be a reasonable approximation of fair value for this investment.

10. CREDITORS: Amounts Falling Due Within One Year

	30 Sep 2024 £	30 Sep 2023 £
Grants payable - The Community Foundation	182,910	180,810
Accrued investment review fee	6,000	6,000
Accrued audit fees	10,200	7,440
Accrued legal and professional fees	3,090	-
	<u>202,200</u>	<u>194,250</u>

11. TRUST FUND

The trustees have adopted an absolute return approach to investment, aiming to generate (and distribute) a real return on the Charity's assets averaging 3-4% per annum over the economic cycle. The Trust Deed makes no material distinction between the distribution of capital and the distribution of income and hence the balance of the Trust Fund is not segregated between them.

THE 1989 WILLAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2024 (continued)

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total £
Unrestricted Funds - 2024	<u>278,608</u>	<u>21,662,144</u>	<u>195,574</u>	<u>22,136,326</u>
Unrestricted Funds - 2023	<u>248,384</u>	<u>20,022,306</u>	<u>16,523</u>	<u>20,287,213</u>

13. RELATED PARTY TRANSACTIONS

Mr A A Ohlsson, trustee, is a director of Carlton Management Services Limited, the company providing the accounting and administrative services to the Charity. There was no charge made in respect of such services in 2023 or 2024, and no outstanding balances at the year end. Within the year there were no related party transactions with the trustees to disclose (2023: £0).

Mr A A Ohlsson and Mr F A Chapman, trustees, are directors of Somerston Ventures Limited, a company who also hold a 5% equity share in Komotion Limited.

14. CAPITAL COMMITMENTS

The Charity has capital commitments of £0 at the year end (2023: £0).

15. CONTINGENT LIABILITIES

The Charity has contingent liabilities of £0 at the year end (2023: £0).

16. ULTIMATE CONTROLLING PARTY

In the opinion of the trustees there is no ultimate controlling party other than the trustees.

17. EVENTS AFTER THE REPORTING PERIOD

There were no events or conditions which took place after the reporting date, to the date of approval of these financial statements, which were significant enough to warrant disclosure in these financial statements.

THE 1989 WILLAN CHARITABLE TRUST

England & Wales - Charity number 802749

Accounts

THE 1989 WILLAN CHARITABLE TRUST
FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 2023

CHARITY NO. 802749

THE 1989 WILLAN CHARITABLE TRUST**TRUSTEES' REPORT - Year Ended 30th September 2023****LEGAL AND ADMINISTRATIVE DETAILS**

The Trustees submit their report and financial statements of The 1989 Willan Charitable Trust (the "Charity", or "Trust") for the year ended 30th September 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the trust deed, the Charities Act 2011 and the Statement of Recommended Practice, Accounting and Reporting by Charities 2019 (FRS 102).

Legal Status	The 1989 Willan Charitable Trust is a registered charity (registered number 802749)	
Governing Document	Trust Deed dated 8th August 1989	
Trustees	A Chapman A Ohlsson Willan Trustee Limited (Directors - M Bird (resigned 07/11/2022), A Chapman, A Ohlsson, S Winfield, C Seccombe, and J Ramsbotham)	
Key Management Personnel	The Charity does not employ any staff and therefore the Trustees remain responsible for the day-to-day operation of the Charity	
Administrators	Carlton Management Services Limited 4th Floor Windward House La Route De La Liberation St Helier, Jersey JE2 3BQ	
Grant Advisors and Registered Address	The Community Foundation Philanthropy House Woodbine Road Gosforth Newcastle upon Tyne NE3 1DD	
Investment Managers	Brewin Dolphin Limited Time Central 32 Gallowgate Newcastle Upon Tyne NE1 4SR	Baillie Gifford Calton Square 1 Greenside Row Edinburgh EH1 3AN
	UBS Wealth Management 2 St. James' Gate Newcastle Upon Tyne NE4 7JH	CCLA Investment Management Limited One Angel Lane London EC4R 3AB
	BNY Mellon Fund Managers Limited Client Service Centre PO Box 366 Darlington, DL1 9RF	
Bankers	Santander Private Banking PO Box 545 St. Helier, Jersey JE4 8XG	
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle Upon Tyne NE1 4BF	Wardhadaway Sandgate House 102 Quayside Newcastle Upon Tyne NE1 3DX
Auditors	Azets Audit Services Bulman House Regent Centre Gosforth Newcastle upon Tyne, NE3 3LS	

THE 1989 WILLAN CHARITABLE TRUST

TRUSTEES' REPORT - Year Ended 30th September 2023

AIMS AND OBJECTIVES

The 1989 Willan Charitable Trust (the "Charity" or "Trust") was established by an initial gift from the Willan family out of funds originating from a shipping business based in the North East of England. Over the years the Willan family have settled further funds on the Charity.

The Charity's trust deed gives the trustees wide powers to distribute the income of the trust and such of its capital as they deem appropriate to or for such charitable institutions or charitable purposes as the trustees in their absolute discretion think fit. However, within this broad remit, the trustees recognise that the resources of the Trust are finite and that it is therefore necessary to target funds more selectively to areas where the funds can be used most effectively and can make the most difference.

In recognition of the origins of the Trust fund and the economic impact that the decline of the ship building industry has had on the region, the trustees tend to concentrate their support towards causes which are active in Tyne and Wear and its immediate surrounds. The trustees favour causes which aim to ease social deprivation and / or enrich the fabric of the local community and the quality of life of individuals within that community. They may also support education where that is aimed at improving the economy in areas of deprivation. As well as direct support for such causes in the form of grants, the trustees may also provide indirect support, using the Trust's capital to make resources (typically premises) available to other deserving charitable organisations.

The trustees aim to distribute approximately £825,000 per annum based on a real return of 4% upon the trust assets.

PUBLIC BENEFIT STATEMENT

The trustees have referred to guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. The charitable objectives are also set in order to provide a clear and demonstrated public benefit.

The Charity's activities throughout the period were consistent with its aims and objectives as stated above. All such activities are undertaken to further our charitable purposes for the public benefit.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is an unincorporated trust constituted under a trust deed dated 8th August 1989 and is a registered charity (numbered 802749). The trust deed provides that there be a minimum of three trustees. The trustees are appointed by members of the Willan family and serve for an indefinite term. The trustees who served the Charity during the year were as follows:

A Chapman
A Ohlsson
Willan Trustee Limited

The Charity does not actively fundraise and seeks to continue its support to appropriate charitable causes through the careful stewardship of its existing resources. The management of the Charitable fund is divided into two principal areas, asset management and grant making.

Responsibility for the asset management function is delegated to external investment managers. Brewin Dolphin Securities Ltd, UBS Wealth Management, Baillie Gifford, CCLA Investment Management Limited (manage the "COIF Fund"), and BNY Mellon Investment Managers Limited (manage the "Newton Fund") manage investment portfolios for the Charity under discretionary investment management, or fund management, agreements. The trustees monitor the performance of the portfolios on a quarterly basis against relevant benchmarks.

The trustees are grateful to the Community Foundation serving Tyne & Wear and Northumberland (the "Community Foundation"). Applications are processed, collated and shortlisted by the Community Foundation on a quarterly basis. A subcommittee of the board of Willan Trustee Limited meet each quarter to vet the shortlist. The shortlist is then circulated to each of the trustees for consideration and approval.

Carlton Management Services Limited, a licenced trust company regulated by the Jersey Financial Services Commission, provides administrative and accounting services to the Charity.

The trustees aim to meet at least once a year to review the Charity's financial statements for the preceding year, the performance of its assets and its grant making activities and to consider whether changes are required in the Charity's policies and overall strategy.

THE 1989 WILLAN CHARITABLE TRUST**TRUSTEES' REPORT - Year Ended 30th September 2023 (Continued)****RECRUITMENT OF TRUSTEES**

Any trustee vacancies which arise are filled by search with due regard to maintaining a proper balance of skills and experience within the Board. Representation relevant to the service user group is a key factor given the Charity's mission.

All appointments are subject to the approval by members at a general meeting. With the notice of such meeting members are provided with a profile of prospective new trustees - and equivalent information for any trustee offering themselves for re-election. Additionally a full attendance record is provided to members to inform their decisions.

TRUSTEE INDUCTION AND TRAINING

New trustees are provided with a proper induction process and a checklist ensures they receive all relevant papers and guidance to properly fulfil their responsibilities. Briefing papers and familiarisation training is affected for all trustees as deemed necessary.

RISK MANAGEMENT

The trustees have considered the major risks to which the Charity is exposed and have established systems and procedures to manage those risks.

RESERVES POLICY

The results for the year leave The 1989 Willan Charitable Trust with an Unrestricted Revenue Reserve of £20,287,213 (2022: £19,950,231). It can be seen that of this sum, £16,523 (2022: £42,102) is held in Net Current Assets, that is, represented by cash, net debtors and therefore readily expendable by the trustees.

The trustees aim to distribute approximately £825,000 per annum based on a real return of 4% upon the trust assets. It is the policy of the Charity to maintain a free cash balance of approximately six months' unrestricted expenditure. This provides sufficient funds to cover management, administration and support costs and to respond to applications for grants which arise from time to time.

The trustees have reviewed activities and prepared a risk assessment to enable them to consider the financial position of the Charity. On conclusion of this work the trustees, having considered both the significant level of cash and investments held by the Charity, consider that there are no material uncertainties regarding the Charity's ability to continue as a going concern for the next 12 months.

FINANCIAL REVIEW

As at 30 September 2023 the allocation in investment portfolios stood as follows:

Manager	Allocation	
	2023	2022
UBS	26.9%	27.3%
Brewin Dolphin	25.6%	27.1%
Baillie Gifford	37.6%	36.2%
COIF Charity Fund	4.8%	4.7%
Newton Growth and Income Fund for Charities	5.0%	4.7%

Performance of equity markets have been dominated by a handful of giant technology companies coined the 'magnificent seven'. They have posted strong earnings reports and exceptional rises in their share prices. The Bloomberg Magnificent 7 Index is up 60.7% during the fiscal year under consideration. Indeed, outside of the Technology sectors, those companies whose success is more closely tied to general economic progress, have floundered.

2023 has seen a continuation of Central Banks hiking interest rates at the fastest rate this century and, inflation has reduced from peak levels, although economic indicators remain resilient. Central bankers remain hawkish and appear set to maintain policy rates at a higher for longer level. The yield on 10-year government bonds rose to 15-year highs during the period.

During the fiscal year Global Equities rose +11.5% in Sterling terms (MSCI World Index), Government bonds fell -6.5% (Barclays Global 7-10yr Index) and Gold rose +1.8% in Sterling terms. Sterling rose 9.2% vs the US dollar during the period.

Baillie Gifford, UBS, and Newton Charity Fund outperformed the ARC Charities Index (the Trust's reference benchmark), which rose by 5.5% over the year. A 50:50 representative benchmark of UK bonds and equities rose by +10.1% during the same period.

Manager	Performance	
	2023	2022
UBS	7.9%	-6.0%
Brewin Dolphin	4.4%	-7.3%
Baillie Gifford	6.0%	-27.7%
COIF Charity Fund	4.3%	-7.1%
Newton Growth and Income Fund for Charities	8.1%	-7.8%

THE 1989 WILLAN CHARITABLE TRUST**TRUSTEES' REPORT - Year Ended 30th September 2023 (Continued)****FINANCIAL REVIEW (Continued)**

Total interest and dividend income was £314,831 (2022: £410,897) equal to a yield of approximately 1.6% (2022: 2.1%). This is consistent with both historic levels, and the trustees' expectations. The overall value of investments rose by 1.9% (2022: fell by -18.3%) (net of fees and distributions) to £19,997,306 (2022: £19,634,745).

REVIEW OF GRANT MAKING ACTIVITIES

The Community Foundation have been responsible for payments of grants (under the "Philanthropy Agreement" dated September 2020) and administer these from the funds held. Any monies paid to The Community Foundation under the Philanthropy Agreement will become an irrevocable gift. The Charity donated £703,700 (2022: £703,000) to The Community Foundation in the financial year, to be distributed in accordance with the Philanthropy Agreement.

In addition to the grant making activity outlined above, the Charity gifted an additional £72,073 (2022: £93,550) in total to the universities of Sunderland, Teesside, and Northumbria, in order to provide support to graduates seeking to fund viable, sustainable new business ventures. A further £32,300 was donated in October 2023 for the 2024 academic year.

As detailed in the accounting policy: gifts in kind, the Charity also made effective donations totalling £37,680 (2022: £34,200) in respect of lease arrangements made with other charitable organisations to provide access to accommodation at a below market value rental.

The trustees believe the services of the Community Foundation are delivering real value in helping the trustees to identify causes consistent with the stated aims and objectives of the Charity. In addition, the trustees recognise that the administration fees paid by the Charity to the Community Foundation indirectly support the charitable purposes of the Community Foundation itself which are wholly consistent with those of the Charity.

FUNDRAISING DISCLOSURES

The Charity is required to report how it deals with fundraising from the public. The Charity does not actively fundraise and seeks to continue its support to appropriate charitable causes through the careful stewardship of its existing funds, received from the Willan family.

PLANS FOR FUTURE YEARS

The trustees do not anticipate significant changes to the structure, resources, or operations of the Charity in the foreseeable future. However, to the extent that suitable charitable projects may be identified, the trustees may consider allocating a portion of the Charity's grant making capacity to providing significant support to a limited number of specific charitable projects.

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with Financial Reporting Standard applicable in the United Kingdom (FRS 102). The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and the income and expenditure 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 Charities SORP;
- make judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The trustees are responsible for keeping proper 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 Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

AUDITOR

Azets Audit Services have indicated their willingness to stand for reappointment at the forthcoming Annual General Meeting.

Approved by the Trustees on 06 June 2024

and signed on their behalf by:

DocuSigned by:



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Trustee

THE 1989 WILLAN CHARITABLE TRUST**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES Year Ended 30th September 2023****Opinion**

We have audited the financial statements of The 1989 Willan Trust (the 'charity') for the year ended 30 September 2023, comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 30 September 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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

In auditing the financial statements, we have concluded that the Trustee's 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 entity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

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 our 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' Annual Report.

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

- sufficient accounting records have not been kept; or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified.
- we have not received all the information and explanations we require for our audit.

Statement of trustees' responsibilities

As explained more fully in the statement of Trustees' Responsibilities in relation to the financial statements [set out on page 4], 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.

THE 1989 WILLAN CHARITABLE TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES Year Ended 30th September 2023 (continued)

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: and compliance with the Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions in the financial statements, the less likely the auditor is to become aware of it or recognise the non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the report

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

DocuSigned by:



Simon Brown BA, ACA, DChA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services, Statutory Auditor
Chartered Accountant
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 07 June 2024

Azets Audit Services is a trading name of Azets Audit Services Limited.

Azets Audit Services Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE 1989 WILLAN CHARITABLE TRUST**STATEMENT OF FINANCIAL ACTIVITIES - Year Ended 30th September 2023**

		Year ended 30 Sep 2023	Year ended 30 Sep 2022
	Notes	£	£
INCOME			
Income from charitable activities	2	37,680	34,200
Other incoming resources:			
Dividends and Fixed Interest (Net)	3	326,958	410,371
Deposit Interest Received		2,248	526
TOTAL INCOME		<u>366,886</u>	<u>445,097</u>
EXPENDITURE			
Cost of raising funds:			
Investment Portfolio Management Fees	8	55,941	59,226
Expenditure on charitable activities:			
Gift in Kind	5	37,680	34,200
Cost of Grant Making	6	832,828	838,030
TOTAL EXPENDITURE		<u>926,449</u>	<u>931,456</u>
Revaluation of Investment Property	7	-	-
Movement on Investments including Gains & Losses	8	896,544	(4,006,656)
NET MOVEMENT IN TRUST FUND		<u>336,982</u>	<u>(4,493,015)</u>
Total funds brought forward		19,950,231	24,443,246
Total funds carried forward		<u><u>20,287,213</u></u>	<u><u>19,950,231</u></u>

All activities above relate to unrestricted Funds


THE 1989 WILLAN CHARITABLE TRUST**BALANCE SHEET - At 30th September 2023**


	Notes	30 Sep 2023 £	30 Sep 2022 £
FIXED ASSETS			
Investment Property	7	248,384	248,384
Investments:	8	19,997,306	19,634,745
Programme Related Investments	9	25,000	25,000
		<u>20,270,690</u>	<u>19,908,129</u>
CURRENT ASSETS			
Accrued bank interest income		-	263
Debtors		1,303	-
Cash at Bank		209,470	232,939
		<u>210,773</u>	<u>233,202</u>
CURRENT LIABILITIES			
CREDITORS : Amounts Falling Due Within One Year	10	194,250	191,100
		<u>194,250</u>	<u>191,100</u>
NET CURRENT ASSETS			
		<u>16,523</u>	<u>42,102</u>
NET ASSETS			
		<u>20,287,213</u>	<u>19,950,231</u>
TRUST FUND	(Page 7)	<u>20,287,213</u>	<u>19,950,231</u>

The financial statements were approved by the Trustees on 06 June 2024

and signed on their behalf by:

Trustee
Willan Trustee Limited

DocuSigned by:

A Olsson
Director

DocuSigned by:

F A Chapman
Director

THE 1989 WILLAN CHARITABLE TRUST**STATEMENT OF CASH FLOWS - At 30th September 2023**

	Notes	30 Sep 2023 £	30 Sep 2022 £
OPERATING ACTIVITIES:			
Net Movement in Trust Fund		336,982	(4,493,015)
Adjusted for			
Movement on investments including gains and losses	8	(896,544)	4,006,656
(Increase) / Decrease in debtors		(1,040)	(263)
Increase / (decrease) in creditors	10	3,150	185,400
Net Cash Outflow from Operating Activities		(557,452)	(301,222)
INVESTING ACTIVITIES:			
Dividends and fixed interest	8	(326,958)	(410,371)
Purchase of investments	8	-	(2,000,000)
Investment management fees	8	55,941	59,226
Transfers from Portfolios	8	805,000	2,750,000
Purchase of Programme Related Investment	9	-	(25,000)
Net Cash Inflow from Investing Activities		533,983	373,855
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(23,469)	72,633
CASH AND CASH EQUIVALENTS AT 1 OCTOBER		232,939	160,306
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER		209,470	232,939

THE 1989 WILLAN CHARITABLE TRUST**NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2023****1. ACCOUNTING POLICIES****- Accounting Convention -**

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

The 1989 Willan Charitable Trust (the "Trust", or "Charity") meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recorded at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. The financial statements are prepared in sterling, which is the functional and presentational currency of the entity.

- Investment Property -

Property is shown at its fair value, which is taken to equal its market value, as estimated by the trustees. Any gain or loss on revaluation is taken to the Statement of Financial Activities. Property is held for the benefit of UK Registered Charities and the trustees do not receive commercial rent but account for the value of the commercial rent as rental income and as charitable donation. As property is held for long term capital gain and does not contribute to the net income of The 1989 Willan Charitable Trust, the trustees believe that it is not therefore appropriate to charge depreciation.

- Investments -

Investments are stated at their fair value, which is taken to equal the closing mid-market value as at 29th September 2023 (being the last working day of the year), net of any accrued management fees payable. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

- Programme Related Investments ("PRIs") -

PRIs are separately held from the Charity's other investments and are held at net recoverable cost. The PRIs represent loans and equity Investments made by the Charity into new start-up companies with the potential to increase economic activity and employment in the North East of England. At each year end, the trustees assess the likelihood of recovery and provide against these investments, reducing the value of the investments. Where PRIs are impaired at the year end, the Charity charges 'charitable activities' within resources expended. Where a gain is made upon disposal of a PRI, then the gain is reported under 'other incoming resources'.

- Debtors-

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

- Cash at bank and in hand-

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

- Creditors and provisions-

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

- Taxation-

The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

- Income-

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Interest receivable is recognised on a receivable basis, when the amount can be measured reliably - this is normally upon notification of the interest paid or payable by the bank.

- Investments Income-

Investment income is accounted for in the period in which the Charity is entitled to receipt.

THE 1989 WILLAN CHARITABLE TRUST**NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2023****1. ACCOUNTING POLICIES (continued)****- Gift in Kind-**

Income from commercial trading activities is recognised as earned (as the related goods and services are provided) and as the rental and service charge falls due. Income regarded as "Rental Income from Properties" is included as a gift in kind based on the market rental value of each property. This is due to the Charity entering into lease arrangements with charitable organisations to provide accommodation to those organisations at below market rental and often for £Nil consideration.

The trustees recognise that in doing so, these type of transactions continue to further their Charity's objectives and are similar to the Charity providing donations to these other charitable organisations. As a result the trustees have recorded the market value of the property rental as "Income from Charitable Activities - Rental Income from Properties" and an identical charge included as a "Gift in Kind" as part of Resources Expended in the Statement of Financial Activities ("SOFA"). This has a £Nil impact on the reported result for the year, but recognises both the income that would be otherwise received and the effective donation made. This treatment does not impact upon the basis for holding these properties, for their capital gain potential rather than their social purpose.

- Expenditure-

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds are those costs of investments management fees, together with their associated support costs.
- Expenditure on charitable activities includes the costs associated with the provision of grant making and include both the direct costs and support costs relating to the activities of the Charity.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

- Donations to the Community Foundation -

With effect from September 2020, the Charity entered into a Philanthropy Agreement with The Community Foundation, who are responsible for payments of grants and will administer these from the funds held. Any monies paid to The Community Foundation under the agreement will become an irrevocable gift. Donations to The Community Foundation are recognised within the cost of grant making in the Statement of Financial Activities.

- Fund Accounting -

The trustees have adopted an absolute return approach to investment, aiming to generate (and distribute) a real return on the Charity's assets averaging 3-4% per annum over the economic cycle. The Trust Deed makes no material distinction between the distribution of capital and the distribution of income, hence the balance of the Trust Fund is not segregated between them.

- Going Concern -

The trustees have reviewed activities and prepared a risk assessment to enable them to consider the financial position of the organisation in light of the ongoing situation in relation to the Covid-19 virus, and the conflict involving Ukraine and Russia. On conclusion of this work the trustees, having considered the significant level of cash and investments held by the Charity, consider that there are no material uncertainties regarding the Charity's ability to continue as a going concern for the next 12 months. The financial statements have been prepared on a going concern basis.

2. INCOME FROM CHARITABLE ACTIVITIES

	30 Sep 2023 £	30 Sep 2022 £
Rental income from properties	37,680	34,200

3. INVESTMENT INCOME

	30 Sep 2023 £	30 Sep 2022 £
UK Equities	151,545	262,990
UK Fixed Interest	31,342	10,461
UK Unit Trusts	18,629	48,714
Non UK Equities	65,631	38,280
Non UK Unit Trusts	-	16,686
Non UK Fixed Interest	41,109	29,473
Alternative Investments	18,702	3,767
	<u>326,958</u>	<u>410,371</u>

THE 1989 WILLAN CHARITABLE TRUST**NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2023****4. TRUSTEES' REMUNERATION**

No salaries or wages have been paid to employees, including the members of the committee during the year (2022: None).

5. GIFTS IN KIND

	30 Sep 2023 £	30 Sep 2022 £
Rental donations	37,680	34,200

6. COST OF GRANT MAKING

	30 Sep 2023 £	30 Sep 2022 £
Donations to The Community Foundation	703,700	703,000
Donations to Universities	72,073	93,550
Administration fees	35,185	35,150
Investment review fee	12,000	-
Audit and accountancy fees	7,440	6,300
Property valuation fee	2,400	-
Bank charges	30	30
	<u>832,828</u>	<u>838,030</u>

Analysis of Donations to Universities:-

	£	£
Teesside University	30,900	30,250
Sunderland University	22,500	31,000
Northumbria University	18,673	32,300
	<u>72,073</u>	<u>93,550</u>

As detailed in Note 7 the Trust owns property which is let to registered charities at peppercorn rent. The commercial value of the rental for the period was approximately £37,680 (2022: £34,200). These amounts have been shown as rental income and as donations in kind. A full listing of grants awarded is available on request from The Community Foundation at the address listed on page 1.

7. INVESTMENT PROPERTY

	Held for long term 30 Sep 2023 £	Held for long term 30 Sep 2022 £
Summary		
Cost or valuation at beginning of period	248,384	248,384
Disposals	-	-
Transfer to held for sale	-	-
Revaluations in year	-	-
Cost or valuation at end of period	<u>248,384</u>	<u>248,384</u>

	Held for long term 30 Sep 2023 £	Held for long term 30 Sep 2022 £
By property -		
15 Taylor Street, Blyth, Northumberland NE24 5NA	34,666	34,666
77 Vine Street, South Shields, Tyne & Wear NE33 4RG	49,195	49,195
15 Chichester Road, South Shields, Tyne & Wear NE33 4AA	50,661	50,661
96 Northbourne Street, Gateshead, Tyne & Wear NE8 4AH	53,420	53,420
100 Hallside Road, Blyth, Northumberland, NE24 5PF	60,442	60,442
	<u>248,384</u>	<u>248,384</u>

All of the above properties are freehold apart from 96 Northbourne Street which is leasehold.

THE 1989 WILLAN CHARITABLE TRUST**NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2023****7. INVESTMENT PROPERTY (continued)**

The trustees believe the market value of the properties held for the long term, are equal to their historic cost of £248,384 (2022: £248,384).

15 Taylor Street was purchased on 17th June 2014 and was let from 20th August 2014 to a registered charity for a peppercorn rent. The commercial value of the rent for 15 Taylor Street is approximately £6,960 per annum (2022: £6,360).

77 Vine Street, 15 Chichester Road, and 96 Northbourne Street were purchased on 11th September 2014, 26th September 2014 and 11th August 2014 respectively and are let to a registered charity for a peppercorn rent. The commercial value of the rent for these properties is approximately £22,920 per annum (2022: £20,760).

100 Hallside Road, was purchased on 12th November 2014 and was let from 4th February 2015 to a registered charity for a peppercorn rent. The commercial value of the rent for 100 Hallside Road is approximately £7,800 per annum (2022: £7,080).

The title deeds of the properties are currently held in the name of Willan Properties No1 Limited, Willan Properties No2 Limited and Willan Trustee Limited as the Charity is unincorporated and is not able to hold property directly. All three companies are controlled by the trustees of the Charity (Willan Trustee Limited being a trustee directly) and therefore have taken the view that the properties are beneficially owned by the Charity.

8. INVESTMENTS

	30 Sep 2023	30 Sep 2022	
	£	£	
Market value at beginning of year	19,634,745	24,040,256	
Income	326,958	410,371	
Additions	-	2,000,000	
Additions - within investment portfolios	4,326,020	4,593,988	
Disposals - within investment portfolios	(4,326,020)	(4,593,988)	
Expenses	(55,941)	(59,226)	
Withdrawals	(805,000)	(2,750,000)	
Movement on investments including gains and losses	896,544	(4,006,656)	
Market value at year end	<u>19,997,306</u>	<u>19,634,745</u>	
Held as follows:-	£	£	
UK Equities	5,635,617	12,777,672	
UK Fixed Interest	1,966,099	1,334,985	
Non UK Equities	8,723,304	3,354,474	
Non UK Fixed Interest	1,637,565	113,282	
Alternative Investments	1,584,154	1,620,607	
Investment Dealing Accounts	469,973	452,985	
Accrued Management Fees	(19,406)	(19,260)	
	<u>19,997,306</u>	<u>19,634,745</u>	
Held by:-	Portfolio		
	Turnover (%)		
	£	£	
Brewin Dolphin Newcastle - Discretionary portfolio	15.24%	5,119,375	5,321,852
UBS AG Newcastle - Discretionary portfolio	27.73%	5,376,135	5,358,953
Baillie Gifford - investment portfolio	N/A	7,528,902	7,102,187
CCLA Investment Managers - COIF Charity Fund	N/A	969,779	929,540
BNY Mellon - Newton Growth and Income Fund for Charities	N/A	1,003,115	922,213
		<u>19,997,306</u>	<u>19,634,745</u>

Investment portfolios are managed by Brewin Dolphin Newcastle, UBS AG Newcastle, Baillie Gifford, CCLA Investment Management Limited, and BNY Mellon Investment Managers Limited. At 30th September 2023, the portfolios did not include any individual investments whose market value was greater than 5% of the market value of the total (2022: None).

	30 Sep 2023	30 Sep 2022
	£	£
Historic Cost	<u>17,117,808</u>	<u>17,160,444</u>

THE 1989 WILLAN CHARITABLE TRUST**NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2023****9. PROGRAMME RELATED INVESTMENTS**

	30 Sep 2023 £	30 Sep 2022 £
<u>Cost</u>		
As at 1 October	50,000	25,000
Additions - Semester Student Planner Limited	-	25,000
As at 30 September	<u>50,000</u>	<u>50,000</u>
<u>Impairment</u>		
As at 1 October - Komotion Limited	(25,000)	(25,000)
Impairment	-	-
As at 30 September	<u>(25,000)</u>	<u>(25,000)</u>
<u>Carrying Value</u>		
Programme Related Investment Balances as at 30 September	<u>25,000</u>	<u>25,000</u>

In 2018, the Charity made an equity investment in Komotion Limited, a new start-up company with the potential to increase economic activity and employment in the North East of England. As at 30 September 2018, the Trustees were of the opinion that the investment should be fully impaired given its early stage development. Having reviewed the Programme Related Investment ("PRI") position at 30 September 2023, the Trustees have agreed the investment should remain fully impaired.

In July 2022, the Charity invested in Semester Student Planner Limited ("Semester"), a start-up company established by Teesside University graduates, which focuses on the mental health of students and university employees, which has the potential to increase economic activity and employment. The Charity invested £25,000 in return for 20 preference shares; equating to 10% preferred equity, with an additional £25,000 (a further 10% preferred equity, being 25 preference shares) agreed, to be drawn at the request of Semester at any point until 31 December 2023. Given the early-stage of the start-up, and the viable business model which is currently cash-generating, the Trustees consider cost to be a reasonable approximation of fair value for this investment.

10. CREDITORS: Amounts Falling Due Within One Year

	30 Sep 2023 £	30 Sep 2022 £
Grants payable - The Community Foundation	180,810	184,800
Accrued investment review fee	6,000	-
Accrued audit fees	7,440	6,300
	<u>194,250</u>	<u>191,100</u>

11. TRUST FUND

The trustees have adopted an absolute return approach to investment, aiming to generate (and distribute) a real return on the Charity's assets averaging 3-4% per annum over the economic cycle. The Trust Deed makes no material distinction between the distribution of capital and the distribution of income and hence the balance of the Trust Fund is not segregated between them.

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total £
Unrestricted Funds	<u>248,384</u>	<u>20,022,306</u>	<u>16,523</u>	<u>20,287,213</u>

13. RELATED PARTY TRANSACTIONS

Mr A Ohlsson, trustee, is a director of Carlton Management Services Limited, the company providing the accounting and administrative services to the Charity. There was no charge made in respect of such services in 2023 or 2022, and no outstanding balances at the year end.

Mr A Ohlsson and Mr A Chapman, trustees, are directors of Somerston Ventures Limited, a company who also hold a 5% equity share in Komotion Limited.

THE 1989 WILLAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2023

14. CAPITAL COMMITMENTS

The Charity has no capital commitments at the year end (2022: None).

15. CONTINGENT LIABILITIES

The Charity has no contingent liabilities at the year end (2022: None).

16. ULTIMATE CONTROLLING PARTY

In the opinion of the trustees there is no ultimate controlling party other than the trustees.

17. EVENTS AFTER THE REPORTING PERIOD

There were no events or conditions which took place after the reporting date, to the date of approval of these financial statements, which were significant enough to warrant disclosure in these financial statements.

THE 1989 WILLAN CHARITABLE TRUST

England & Wales - Charity number 802749

Accounts

**THE 1989 WILLAN CHARITABLE TRUST
FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 2022**

CHARITY NO. 802749

THE 1989 WILLAN CHARITABLE TRUST**TRUSTEES' REPORT - Year Ended 30th September 2022****LEGAL AND ADMINISTRATIVE DETAILS**

The Trustees submit their report and financial statements of The 1989 Willan Charitable Trust (the "Charity", or "Trust") for the year ended 30th September 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the trust deed, the Charities Act 2011 and the Statement of Recommended Practice, Accounting and Reporting by Charities 2019 (FRS 102).

Legal Status	The 1989 Willan Charitable Trust is a registered charity (registered number 802749)	
Governing Document	Trust Deed dated 8th August 1989	
Trustees	A Chapman A Ohlsson Willan Trustee Limited (Directors - M Bird (resigned 07/11/2022), A Chapman, A Ohlsson, S Winfield, C Seccombe, and J Ramsbotham (appointed 04/10/2021))	
Key Management Personnel	The Charity does not employ any staff and therefore the Trustees remain responsible for the day-to-day operation of the Charity	
Administrators and Principal Office	Carlton Management Services Limited PO Box 525, 4th Floor 45 Esplanade St Helier Jersey JE4 OWZ	
Grant Advisors	The Community Foundation Philanthropy House Woodbine Road Gosforth Newcastle upon Tyne NE3 1DD	
Investment Managers	Brewin Dolphin Limited Time Central 32 Gallowgate Newcastle Upon Tyne NE1 4SR	Baillie Gifford Calton Square 1 Greenside Row Edinburgh EH1 3AN
	UBS Wealth Management 2 St. James' Gate Newcastle Upon Tyne NE4 7JH	CCLA Investment Management Limited One Angel Lane London EC4R 3AB
	BNY Mellon Fund Managers Limited Client Service Centre PO Box 366 Darlington DL1 9RF	
Bankers	Santander Private Banking PO Box 545 St. Helier Jersey JE4 8XG	
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle Upon Tyne NE1 4BF	Wardhadaway Sandgate House 102 Quayside Newcastle Upon Tyne NE1 3DX
Auditors	Azets Audit Services Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS	

THE 1989 WILLAN CHARITABLE TRUST

TRUSTEES' REPORT - Year Ended 30th September 2022

AIMS AND OBJECTIVES

The 1989 Willan Charitable Trust (the "Charity" or "Trust") was established by an initial gift from the Willan family out of funds originating from a shipping business based in the North East of England. Over the years the Willan family have settled further funds on the Charity.

The Charity's trust deed gives the trustees wide powers to distribute the income of the trust and such of its capital as they deem appropriate to or for such charitable institutions or charitable purposes as the trustees in their absolute discretion think fit. However, within this broad remit, the trustees recognise that the resources of the Trust are finite and that it is therefore necessary to target funds more selectively to areas where the funds can be used most effectively and can make the most difference.

In recognition of the origins of the Trust fund and the economic impact that the decline of the ship building industry has had on the region, the trustees tend to concentrate their support towards causes which are active in Tyne and Wear and its immediate surrounds. The trustees favour causes which aim to ease social deprivation and / or enrich the fabric of the local community and the quality of life of individuals within that community. They may also support education where that is aimed at improving the economy in areas of deprivation. As well as direct support for such causes in the form of grants, the trustees may also provide indirect support, using the Trust's capital to make resources (typically premises) available to other deserving charitable organisations.

The trustees aim to distribute approximately £825,000 per annum based on a real return of 4% upon the trust assets.

PUBLIC BENEFIT STATEMENT

The trustees have referred to guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. The charitable objectives are also set in order to provide a clear and demonstrated public benefit.

The Charity's activities throughout the period were consistent with its aims and objectives as stated above. All such activities are undertaken to further our charitable purposes for the public benefit.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is an unincorporated trust constituted under a trust deed dated 8th August 1989 and is a registered charity (numbered 802749). The trust deed provides that there be a minimum of three trustees. The trustees are appointed by members of the Willan family and serve for an indefinite term. The trustees who served the Charity during the year were as follows:

A Chapman
A Ohlsson
Willan Trustee Limited

The Charity does not actively fundraise and seeks to continue its support to appropriate charitable causes through the careful stewardship of its existing resources. The management of the Charitable fund is divided into two principal areas, asset management and grant making.

Responsibility for the asset management function is delegated to external investment managers. Brewin Dolphin Securities Ltd, UBS Wealth Management, Baillie Gifford, CCLA Investment Management Limited (manage the "COIF Fund"), and BNY Mellon Investment Managers Limited (manage the "Newton Fund") manage investment portfolios for the Charity under discretionary investment management, or fund management, agreements. The trustees monitor the performance of the portfolios on a quarterly basis against relevant benchmarks.

The trustees are grateful to the Community Foundation serving Tyne & Wear and Northumberland (the "**Community Foundation**"). Applications are processed, collated and shortlisted by the Community Foundation on a quarterly basis. A subcommittee of the board of Willan Trustee Limited meet each quarter to vet the shortlist. The shortlist is then circulated to each of the trustees for consideration and approval.

Carlton Management Services Limited, a licenced trust company regulated by the Jersey Financial Services Commission, provides administrative and accounting services to the Charity.

The trustees aim to meet at least once a year to review the Charity's financial statements for the preceding year, the performance of its assets and its grant making activities and to consider whether changes are required in the Charity's policies and overall strategy.

RECRUITMENT OF TRUSTEES

Any trustee vacancies which arise are filled by search with due regard to maintaining a proper balance of skills and experience within the Board. Representation relevant to the service user group is a key factor given the Charity's mission.

All appointments are subject to the approval by members at a general meeting. With the notice of such meeting members are provided with a profile of prospective new trustees - and equivalent information for any trustee offering themselves for re-election. Additionally a full attendance record is provided to members to inform their decisions.

The trustees welcome Mr Ramsbotham, who was appointed as a Director of the Trustee, Willan Trustee Limited, on 4 October 2021. The trustees thank Mr Bird for his faithful service to the Charity over a number of years, as a Director of the Willan Trustee Limited, until his retirement on 7 November 2022.

THE 1989 WILLAN CHARITABLE TRUST**TRUSTEES' REPORT - Year Ended 30th September 2022 (Continued)****TRUSTEE INDUCTION AND TRAINING**

New trustees are provided with a proper induction process and a checklist ensures they receive all relevant papers and guidance to properly fulfil their responsibilities. Briefing papers and familiarisation training is affected for all trustees as deemed necessary.

RISK MANAGEMENT

The trustees have considered the major risks to which the Charity is exposed and have established systems and procedures to manage those risks.

RESERVES POLICY

The results for the year leave The 1989 Willan Charitable Trust with an Unrestricted Revenue Reserve of £19,950,231 (2021: £24,443,246). It can be seen that of this sum, £42,102 (2021: £154,606) is held in Net Current Assets, that is, represented by cash, net debtors and therefore readily expendable by the trustees.

The trustees aim to distribute approximately £825,000 per annum based on a real return of 4% upon the trust assets. It is the policy of the Charity to maintain a free cash balance of approximately six months' unrestricted expenditure. This provides sufficient funds to cover management, administration and support costs and to respond to applications for grants which arise from time to time.

The trustees have reviewed activities and prepared a risk assessment to enable them to consider the financial position of the Charity. On conclusion of this work the trustees, having considered both the significant level of cash and investments held by the Charity, consider that there are no material uncertainties regarding the Charity's ability to continue as a going concern for the next 12 months.

FINANCIAL REVIEW

As at 30 September 2022 the allocation in investment portfolios stood as follows: 27.3% (2021: 29.6%) UBS discretionary portfolio, 27.1% (2021: 29.9%) Brewin Dolphin discretionary portfolio, 36.2% (40.5%) Baillie Gifford Managed B Acc, 4.7% (2021: Nil) COIF Charity Fund, and 4.7% (2021: Nil) Newton Growth and Income Fund for Charities Acc Class.

2022 was a challenging year for traditional equity and bond portfolios, with rising inflationary concerns and aggressive monetary policy driving a significant de-rating in financial assets. The Russian invasion of Ukraine added to commodity supply risk, particularly in the energy and soft commodity markets. Covid lockdowns continued to impede the Chinese economy adding to global supply concerns and economic uncertainty. Central banks, led by the Federal Reserve, aggressively raised interest rates in an attempt to tame inflation. At the same time consumer demand and leading economic indicators started to deteriorate increasing the probability of a recession. The US dollar rose +16.8% (DXY Index) adding further inflationary pressure to the international community and to emerging market economies dependent on US \$ debt.

Global Equities fell -15.5% (MSCI World Index), Government bonds fell -10.0% (Barclays Global 7-10yr Index) and Gold fell -5.5%. In contrast soft commodities and energy related commodities performed strongly, Brent oil rose +9.4%, Natural Gas rose +15.3%, and agricultural commodities rose +14.9%.

The UK appointed its fifth Prime Minister in just six years, and the political debacle of Liz Truss' fiscal plan put further pressure on the pound which fell -17.1% vs the US dollar. UK government bonds fell -20.4% significantly underperforming the debt of other developed nations. In contrast UK equities outperformed international benchmarks and the FTSE 100 actually rose +0.9% in absolute terms during the year. Outperformance of UK stocks partly reflects sterling weakness but also reflects the value skew of the UK equity market, in particular the high exposure to energy stocks (which rose +30.7% during the period) and to basic material companies which also outperformed.

All portfolios except Baillie Gifford outperformed the ARC Charities Index (the Trust's reference benchmark), which fell by -12.02% over the year. A 50:50 representative benchmark of UK bonds and equities fell -10.2% during the same period.

UBS was the strongest portfolio falling by -6.0% (2021: +20.7%), Brewin Dolphin fell by -7.3% (2021: +20.2%) and Baillie Gifford was the weakest portfolio falling -27.7% (2021: +16.7%). Since initial investment on 29th November 2021 and 11th January 2022 respectively, the COIF charity fund fell -7.1% and the Newton Charity Fund fell -7.8%.

The UBS portfolio is predominantly invested in UK assets (97% Sterling exposure) and has more exposure to value sectors which outperformed. UBS have a higher skew to value and income generating equities particularly within the energy and healthcare sectors. UBS also benefitted from its 12.8% exposure to hedge funds and real estate funds which delivered positive absolute returns during the second half of the year. The bond exposure of the UBS portfolio is limited to hedged international and UK corporate debt which outperformed gilts.

Baillie Gifford delivered the worst performance over the year, falling -27.7%. The Baillie Gifford portfolio has the highest allocation to equities (c.79%) but is focused on high growth and technology businesses which suffered disproportionately from rising interest rates, due to their long duration cashflows and more speculative valuations. Their relative growth has also deteriorated vs value stocks and they have underperformed heavily since November 2021. Baillie Gifford has maintained its strategic allocation to these assets and its overweight allocation to equities whilst other funds/ portfolios have been more adaptive.

Total interest and dividend income was £410,897 (2021: £437,294) equal to a yield of approximately 2.1% (2021: 1.8%). This is consistent with both historic levels, and the trustees' expectations. The overall value of investments fell by -18.3% (2021: rose by 15.8%) (net of fees and distributions) to £19,634,745 (2021: £24,040,256).

THE 1989 WILLAN CHARITABLE TRUST**TRUSTEES' REPORT - Year Ended 30th September 2022 (Continued)****REVIEW OF GRANT MAKING ACTIVITIES**

With effect from September 2020, the Charity entered into a new Philanthropy Agreement with The Community Foundation, who have been responsible for payments of grants (under the new agreement) and administer these from the funds held. Any monies paid to The Community Foundation under the new agreement will become an irrevocable gift. The Charity donated £703,000 (2021: £493,823) to The Community Foundation in the financial year, to be distributed in accordance with the Philanthropy Agreement.

In addition to the grant making activity outlined above, the Charity gifted an additional £93,550 (2021: £80,000) in total to the universities of Sunderland, Teesside, and Northumbria, in order to provide support to graduates seeking to fund viable, sustainable new business ventures. The Charity also invested £25,000 into Semester Student Planner Limited ("Semester") in return for 10% preferred equity share in the new business.

As detailed in the accounting policy: gifts in kind, the Charity also made effective donations totalling £34,200 (2021: £32,400) in respect of lease arrangements made with other charitable organisations to provide access to accommodation at a below market value rental.

The trustees believe the services of the Community Foundation are delivering real value in helping the trustees to identify causes consistent with the stated aims and objectives of the Charity. In addition, the trustees recognise that the administration fees paid by the Charity to the Community Foundation indirectly support the charitable purposes of the Community Foundation itself which are wholly consistent with those of the Charity.

FUNDRAISING DISCLOSURES

The Charity is required to report how it deals with fundraising from the public. The Charity does not actively fundraise and seeks to continue its support to appropriate charitable causes through the careful stewardship of its existing funds, received from the Willan family.

PLANS FOR FUTURE YEARS

The trustees do not anticipate significant changes to the structure, resources and operations of the Charity in the foreseeable future. However, to the extent that suitable charitable projects may be identified, the trustees may consider allocating a portion of the Charity's grant making capacity to providing significant support to a limited number of specific charitable projects.

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with Financial Reporting Standard applicable in the United Kingdom (FRS 102). The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and the income and expenditure 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 Charities SORP;
- make judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.


The trustees are responsible for keeping proper 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 Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

AUDITOR

Azets Audit Services Limited, trading as Azets Audit Services, were appointed as auditors to the charity following their acquisition of the trade of Tait Walker LLP, trading as MHA Tait Walker, on 1 May 2022. Azets Audit Services have indicated their willingness to stand for reappointment at the forthcoming Annual General Meeting.

Approved by the Trustees on 03 April 2023

and signed on their behalf by:

Trustee  DocuSigned by:
A Ohlsson CD0F900F3412492...
Director

THE 1989 WILLAN CHARITABLE TRUST**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES Year Ended 30th September 2022****Opinion**

We have audited the financial statements of The 1989 Willan Trust (the 'charity') for the year ended 30 September 2022, comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 30 September 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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

In auditing the financial statements, we have concluded that the Trustee's 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 entity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

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 our 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' Annual Report.

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

- sufficient accounting records have not been kept; or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified.
- we have not received all the information and explanations we require for our audit.

Statement of trustees' responsibilities

As explained more fully in the statement of Trustees' Responsibilities in relation to the financial statements [set out on page 4], 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.

THE 1989 WILLAN CHARITABLE TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES Year Ended 30th September 2022 (continued)

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: and compliance with the Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions in the financial statements, the less likely the auditor is to become aware of it or recognise the non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the report

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



Simon Brown BA, ACA, DChA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services, Statutory Auditor
Chartered Accountant
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 18/4/2023

Azets Audit Services is a trading name of Azets Audit Services Limited.

Azets Audit Services Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE 1989 WILLAN CHARITABLE TRUST**STATEMENT OF FINANCIAL ACTIVITIES - Year Ended 30th September 2022**

		Year ended 30 Sep 2022	Year ended 30 Sep 2021
	Notes	£	£
INCOME			
Income from charitable activities	2	34,200	32,400
Other incoming resources:			
Dividends and Fixed Interest (Net)	3	410,371	437,197
Deposit Interest Received		526	99
TOTAL INCOME		<u>445,097</u>	<u>469,696</u>
EXPENDITURE			
Cost of raising funds:			
Investment Portfolio Management Fees	8	59,226	70,016
Expenditure on charitable activities:			
Gift in Kind	5	34,200	32,400
Cost of Grant Making	6	838,030	598,044
TOTAL EXPENDITURE		<u>931,456</u>	<u>700,460</u>
Revaluation of Investment Property	7	-	-
Movement on Investments including Gains & Losses	8	(4,006,656)	3,508,812
NET MOVEMENT IN TRUST FUND		<u>(4,493,015)</u>	<u>3,278,048</u>
Total funds brought forward		24,443,246	21,165,198
Total funds carried forward		<u><u>19,950,231</u></u>	<u><u>24,443,246</u></u>

All activities above relate to unrestricted Funds

THE 1989 WILLAN CHARITABLE TRUST**BALANCE SHEET - At 30th September 2022**

	Notes	30 Sep 2022 £	30 Sep 2021 £
FIXED ASSETS			
Investment Property	7	248,384	248,384
Investments:			
Investments	8	19,634,745	24,040,256
Programme Related Investments	9	25,000	-
		<u>19,908,129</u>	<u>24,288,640</u>
CURRENT ASSETS			
Accrued bank interest income		263	-
Cash at Bank		232,939	160,306
		<u>233,202</u>	<u>160,306</u>
CURRENT LIABILITIES			
CREDITORS : Amounts Falling Due Within One Year	10	191,100	5,700
		<u>191,100</u>	<u>5,700</u>
NET CURRENT ASSETS			
		<u>42,102</u>	<u>154,606</u>
NET ASSETS			
		<u>19,950,231</u>	<u>24,443,246</u>
TRUST FUND	(Page 7)	<u>19,950,231</u>	<u>24,443,246</u>

The financial statements were approved by the Trustees on 03 April 2023

and signed on their behalf by:

Trustee
Willan Trustee Limited

DocuSigned by:

CD0F900F3412422
A Ohlsson
Director

DocuSigned by:

90639B9E3D234B2...
F A Chapman
Director

THE 1989 WILLAN CHARITABLE TRUST**STATEMENT OF CASH FLOWS - At 30th September 2022**

	Notes	30 Sep 2022 £	30 Sep 2021 £
OPERATING ACTIVITIES:			
Net Movement in Trust Fund		(4,493,015)	3,278,048
Adjusted for			
Movement on investments including gains and losses	8	4,006,656	(3,508,812)
Decrease in debtors		(263)	-
Increase in creditors	10	185,400	180
Net Cash Outflow from Operating Activities		<u>(301,222)</u>	<u>(230,584)</u>
INVESTING ACTIVITIES:			
Dividends and fixed interest	8	(410,371)	(437,197)
Purchase of investments	8	(2,000,000)	-
Investment management fees	8	59,226	70,016
Transfers from Portfolios	8	2,750,000	600,000
Purchase of Programme Related Investment	9	(25,000)	-
Net Cash Inflow from Investing Activities		<u>373,855</u>	<u>232,819</u>
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>72,633</u>	<u>2,235</u>
CASH AND CASH EQUIVALENTS AT 1 OCTOBER		160,306	158,071
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER		<u><u>232,939</u></u>	<u><u>160,306</u></u>

THE 1989 WILLAN CHARITABLE TRUST**NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2022****1. ACCOUNTING POLICIES****- Accounting Convention -**

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

The 1989 Willan Charitable Trust (the "Trust", or "Charity") meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recorded at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. The financial statements are prepared in sterling, which is the functional and presentational currency of the entity.

- Investment Property -

Property is shown at its fair value, which is taken to equal its market value, as estimated by the trustees. Any gain or loss on revaluation is taken to the Statement of Financial Activities. Property is held for the benefit of UK Registered Charities and the trustees do not receive commercial rent but account for the value of the commercial rent as rental income and as charitable donation. As property is held for long term capital gain and does not contribute to the net income of The 1989 Willan Charitable Trust, the trustees believe that it is not therefore appropriate to charge depreciation.

- Investments -

Investments are stated at their fair value, which is taken to equal the closing mid-market value as at 30th September 2022, net of any accrued management fees payable. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

- Programme Related Investments ("PRIs") -

PRIs are separately held from the Charity's other investments and are held at net recoverable cost. The PRIs represent loans and equity Investments made by the Charity into new start-up companies with the potential to increase economic activity and employment in the North East of England. At each year end, the trustees assess the likelihood of recovery and provide against these investments, reducing the value of the investments. Where PRIs are impaired at the year end, the Charity charges 'charitable activities' within resources expended. Where a gain is made upon disposal of a PRI, then the gain is reported under 'other incoming resources'.

- Debtors-

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

- Cash at bank and in hand-

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

- Creditors and provisions-

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

- Taxation-

The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

- Income-

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Interest receivable is recognised on a receivable basis, when the amount can be measured reliably - this is normally upon notification of the interest paid or payable by the bank.

- Investments Income-

Investment income is accounted for in the period in which the Charity is entitled to receipt.

THE 1989 WILLAN CHARITABLE TRUST**NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2022****1. ACCOUNTING POLICIES (continued)****- Gift in Kind-**

Income from commercial trading activities is recognised as earned (as the related goods and services are provided) and as the rental and service charge falls due. Income regarded as "Rental Income from Properties" is included as a gift in kind based on the market rental value of each property. This is due to the Charity entering into lease arrangements with charitable organisations to provide accommodation to those organisations at below market rental and often for £Nil consideration.

The trustees recognise that in doing so, these type of transactions continue to further their Charity's objectives and are similar to the Charity providing donations to these other charitable organisations. As a result the trustees have recorded the market value of the property rental as "Income from Charitable Activities - Rental Income from Properties" and an identical charge included as a "Gift in Kind" as part of Resources Expended in the Statement of Financial Activities ("SOFA"). This has a £Nil impact on the reported result for the year, but recognises both the income that would be otherwise received and the effective donation made. This treatment does not impact upon the basis for holding these properties, for their capital gain potential rather than their social purpose.

- Expenditure-

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds are those costs of investments management fees, together with their associated support costs.
- Expenditure on charitable activities includes the costs associated with the provision of grant making and include both the direct costs and support costs relating to the activities of the Charity.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

- Donations to the Community Foundation -

With effect from September 2020, the Charity has entered into a new Philanthropy Agreement with The Community Foundation, who will be responsible for payments of grants (under the new agreement) and will administer these from the funds held. Any monies paid to The Community Foundation under the new agreement will become an irrevocable gift. Donations to The Community Foundation are recognised within the cost of grant making in the Statement of Financial Activities.

- Fund Accounting -

The trustees have adopted an absolute return approach to investment, aiming to generate (and distribute) a real return on the Charity's assets averaging 3-4% per annum over the economic cycle. The Trust Deed makes no material distinction between the distribution of capital and the distribution of income and hence the balance of the Trust Fund is not segregated between them.

- Going Concern -

The trustees have reviewed activities and prepared a risk assessment to enable them to consider the financial position of the organisation in light of the ongoing situation in relation to the Covid-19 virus, and the conflict involving Ukraine and Russia. On conclusion of this work the trustees, having considered the significant level of cash and investments held by the Charity, consider that there are no material uncertainties regarding the Charity's ability to continue as a going concern for the next 12 months. The financial statements have been prepared on a going concern basis.

2. INCOME FROM CHARITABLE ACTIVITIES

	30 Sep 2022 £	30 Sep 2021 £
Rental income from properties	34,200	32,400

3. INVESTMENT INCOME

	30 Sep 2022 £	30 Sep 2021 £
UK Equities	262,990	270,077
UK Fixed Interest	10,461	6,931
UK Unit Trusts	48,714	49,215
Non UK Equities	38,280	55,477
Non UK Unit Trusts	16,686	51,309
Non UK Fixed Interest	29,473	272
Alternative Investments	3,767	3,916
	<u>410,371</u>	<u>437,197</u>

4. TRUSTEES' REMUNERATION

No salaries or wages have been paid to employees, including the members of the committee during the year (2021: None).

THE 1989 WILLAN CHARITABLE TRUST**NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2022****5. GIFTS IN KIND**

	30 Sep 2022 £	30 Sep 2021 £
Rental donations	34,200	32,400

6. COST OF GRANT MAKING

	30 Sep 2022 £	30 Sep 2021 £
Donations to The Community Foundation	703,000	493,823
Donations to Universities	93,550	80,000
Prior Year Donations Returned	-	(6,200)
Administration fees	35,150	24,691
Audit and Accountancy fees	6,300	5,700
Bank charges	30	30
	<u>838,030</u>	<u>598,044</u>

Analysis of Donations to Universities:-

	£	£
Teesside University	30,250	30,000
Sunderland University	31,000	30,000
Northumbria University	32,300	20,000
	<u>93,550</u>	<u>80,000</u>

As detailed in Note 7 the Trust owns property which is let to registered charities at peppercorn rent. The commercial value of the rental for the period was approximately £34,200 (2021: £32,400). These amounts have been shown as rental income and as donations in kind. A full listing of grants awarded is available on request from The Community Foundation at the address listed on page 1.

7. INVESTMENT PROPERTY

	Held for long term 30 Sep 2022 £	Held for long term 30 Sep 2021 £
Summary		
Cost or valuation at beginning of period	248,384	248,384
Disposals	-	-
Transfer to held for sale	-	-
Revaluations in year	-	-
Cost or valuation at end of period	<u>248,384</u>	<u>248,384</u>

	Held for long term 30 Sep 2022 £	Held for long term 30 Sep 2021 £
By property -		
15 Taylor Street, Blyth, Northumberland NE24 5NA	34,666	34,666
77 Vine Street, South Shields, Tyne & Wear NE33 4RG	49,195	49,195
15 Chichester Road, South Shields, Tyne & Wear NE33 4AA	50,661	50,661
96 Northbourne Street, Gateshead, Tyne & Wear NE8 4AH	53,420	53,420
100 Hallside Road, Blyth, Northumberland, NE24 5PF	60,442	60,442
	<u>248,384</u>	<u>248,384</u>

All of the above properties are freehold apart from 96 Northbourne Street which is leasehold.

The trustees believe the market value of the properties held for the long term, are equal to their historic cost of £248,384 (2021: £248,384).

15 Taylor Street was purchased on 17th June 2014 and was let from 20th August 2014 to a registered charity for a peppercorn rent. The commercial value of the rent for 15 Taylor Street is approximately £6,360 per annum (2021: £6,000).

77 Vine Street, 15 Chichester Road, and 96 Northbourne Street were purchased on 11th September 2014, 26th September 2014 and 11th August 2014 respectively and are let to a registered charity for a peppercorn rent. The commercial value of the rent for these properties is approximately £20,760 per annum (2021: £19,680).

THE 1989 WILLAN CHARITABLE TRUST**NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2022****7. INVESTMENT PROPERTY (continued)**

100 Hallside Road, was purchased on 12th November 2014 and was let from 4th February 2015 to a registered charity for a peppercorn rent. The commercial value of the rent for 100 Hallside Road is approximately £7,080 per annum (2021: £6,720).

The title deeds of the properties are currently held in the name of Willan Properties No1 Limited, Willan Properties No2 Limited and Willan Trustee Limited as the Charity is unincorporated and is not able to hold property directly. All three companies are controlled by the trustees of the Charity (Willan Trustee Limited being a trustee directly) and therefore have taken the view that the properties are beneficially owned by the Charity.

8. INVESTMENTS

	30 Sep 2022 £	30 Sep 2021 £
Market value at beginning of year	24,040,256	20,764,263
Income	410,371	437,196
Additions	2,000,000	-
Expenses	(59,226)	(70,016)
Withdrawals	(2,750,000)	(600,000)
Movement on investments including gains and losses	(4,006,656)	3,508,813

Market value at year end	<u>19,634,745</u>	<u>24,040,256</u>
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Held as follows:-

	£	£
UK Equities	12,777,672	15,186,433
UK Fixed Interest	1,334,985	1,552,786
Non UK Equities	3,354,474	3,677,456
Non UK Unit Trusts	-	1,409,467
Non UK Fixed Interest	113,282	202,720
Alternative Investments	1,620,607	1,380,829
Investment Dealing Accounts	452,985	656,166
Accrued Management Fees	(19,260)	(25,601)
	<u>19,634,745</u>	<u>24,040,256</u>

Held by:-

	Portfolio Turnover (%)	£	£
Brewin Dolphin Newcastle - Discretionary portfolio	27.01%	5,321,852	7,126,864
UBS AG Newcastle - Discretionary portfolio	36.88%	5,358,953	7,087,238
Baillie Gifford - investment portfolio	N/A	7,102,187	9,826,154
CCLA Investment Managers - COIF Charity Fund	N/A	929,540	-
BNY Mellon - Newton Growth and Income Fund for Charities	N/A	922,213	-
		<u>19,634,745</u>	<u>24,040,256</u>

Investment portfolios are managed by Brewin Dolphin Newcastle, UBS AG Newcastle, Baillie Gifford, CCLA Investment Management Limited, and BNY Mellon Investment Managers Limited. At 30th September 2022, the portfolios did not include any individual investments whose market value was greater than 5% of the market value of the total (2021: None).

	30 Sep 2022 £	30 Sep 2021 £
Historic Cost	<u>17,160,444</u>	<u>16,862,731</u>

9. PROGRAMME RELATED INVESTMENTS

	30 Sep 2022 £	30 Sep 2021 £
<u>Cost</u>		
As at 1 October	25,000	25,000
Additions - Semester Student Planner Limited	25,000	-
As at 30 September	<u>50,000</u>	<u>25,000</u>

Impairment

As at 1 October - Komotion Limited	(25,000)	(25,000)
Impairment	-	-
As at 30 September	<u>(25,000)</u>	<u>(25,000)</u>

Carrying Value

Programme Related Investment Balances as at 30 September	<u>25,000</u>	<u>-</u>
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THE 1989 WILLAN CHARITABLE TRUST**NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2022****9. PROGRAMME RELATED INVESTMENTS (continued)**

In 2018, the Charity made an equity investment in Komotion Limited, a new start-up company with the potential to increase economic activity and employment in the North East of England. As at 30 September 2018, the Trustees were of the opinion that the investment should be fully impaired given its early stage development. Having reviewed the Programme Related Investment ("PRI") position at 30 September 2022, the Trustees have agreed the investment should remain fully impaired.

In July 2022, the Charity invested in Semester Student Planner Limited ("Semester"), a start-up company established by Teesside University graduates, which focuses on the mental health of students and university employees, which has the potential to increase economic activity and employment. The Charity invested £25,000 in return for 20 preference shares; equating to 10% preferred equity, with an additional £25,000 (a further 10% preferred equity, being 25 preference shares) agreed, to be drawn at the request of Semester. Given the early-stage of the start-up, proximity of this investment to the year end, and the viable business model which is currently cash-generating, the Trustees consider cost to be a reasonable approximation of fair value for this investment.

10. CREDITORS: Amounts Falling Due Within One Year

	30 Sep 2022 £	30 Sep 2021 £
Grants payable - The Community Foundation	184,800	-
Audit fee	6,300	5,700
	<u>191,100</u>	<u>5,700</u>

11. TRUST FUND

The trustees have adopted an absolute return approach to investment, aiming to generate (and distribute) a real return on the Charity's assets averaging 3-4% per annum over the economic cycle. The Trust Deed makes no material distinction between the distribution of capital and the distribution of income and hence the balance of the Trust Fund is not segregated between them.

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total £
Unrestricted Funds	<u>248,384</u>	<u>19,659,745</u>	<u>42,102</u>	<u>19,950,231</u>

13. RELATED PARTY TRANSACTIONS

Mr A Ohlsson, trustee, is a director of Carlton Management Services Limited, the company providing the accounting and administrative services to the Charity. There was no charge made in respect of such services in 2022 or 2021, and no outstanding balances at the year end.

Mr A Ohlsson and Mr A Chapman, trustees, are directors of Somerston Ventures Limited, a company who also hold a 5% equity share in Komotion Limited.

14. CAPITAL COMMITMENTS

The Charity has no capital commitments at the year end (2021: None).

15. CONTINGENT LIABILITIES

The Charity has no contingent liabilities at the year end (2021: None).

16. ULTIMATE CONTROLLING PARTY

In the opinion of the trustees there is no ultimate controlling party other than the trustees.

17. EVENTS AFTER THE REPORTING PERIOD

There were no events or conditions which took place after the reporting date, to the date of approval of these financial statements, which were significant enough to warrant disclosure in these financial statements.

THE 1989 WILLAN CHARITABLE TRUST

England & Wales - Charity number 802749

Accounts

THE 1989 WILLAN CHARITABLE TRUST
FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 2021

CHARITY NO. 802749

THE 1989 WILLAN CHARITABLE TRUST

TRUSTEES' REPORT - Year Ended 30th September 2021

LEGAL AND ADMINISTRATIVE DETAILS

The Trustees submit their report and financial statements of The 1989 Willan Charitable Trust (the "Charity") for the year ended 30th September 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the trust deed, the Charities Act 2011 and the Statement of Recommended Practice, Accounting and Reporting by Charities 2015 (FRS 102).

Legal Status	The 1989 Willan Charitable Trust is a registered charity (registered number 802749).	
Governing Document	Trust Deed dated 8th August 1989	
Trustees	A Chapman A Ohlsson Willan Trustee Limited (Directors - M Bird, A Chapman, A Ohlsson, S Winfield and C Seccombe)	
Key Management Personnel	The charity does not employ any staff and therefore the board remain responsible for the day-to-day operation of the charity.	
Administrators and Principal Office	Carlton Management Services Limited PO Box 525, 4th Floor 45 Esplanade St Helier Jersey JE4 OWZ	
Grant Advisors	The Community Foundation Philanthropy House Woodbine Road Gosforth Newcastle upon Tyne NE3 1DD	
Investment Managers	Brewin Dolphin Ltd Time Central 32 Gallowgate Newcastle Upon Tyne NE1 4SR	Baillie Gifford Calton Square 1 Greenside Row Edinburgh EH1 3AN
	UBS Wealth Management 2 St. James' Gate Newcastle Upon Tyne NE4 7JH	
Bankers	Santander Private Banking PO Box 545 St. Helier Jersey JE4 8XG	
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle Upon Tyne NE1 4BF	Wardhadaway Sandgate House 102 Quayside Newcastle Upon Tyne NE1 3DX
Auditors	Azets Audit Services Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS	

THE 1989 WILLAN CHARITABLE TRUST

TRUSTEES' REPORT - Year Ended 30th September 2021

AIMS AND OBJECTIVES

The Charity was established by an initial gift from the Willan family out of funds originating from a shipping business based in the North East of England. Over the years the Willan family have settled further funds on the Charity.

The Charity's trust deed gives the trustees wide powers to distribute the income of the trust and such of its capital as they deem appropriate to or for such charitable institutions or charitable purposes as the trustees in their absolute discretion think fit. However, within this broad remit, the trustees recognise that the resources of the Trust are finite and that it is therefore necessary to target funds more selectively to areas where the funds can be used most effectively and can make the most difference.

In recognition of the origins of the Trust fund and the economic impact that the decline of the ship building industry has had on the region, the trustees tend to concentrate their support towards causes which are active in Tyne and Wear and its immediate surrounds. The trustees favour causes which aim to ease social deprivation and / or enrich the fabric of the local community and the quality of life of individuals within that community. They may also support education where that is aimed at improving the economy in areas of deprivation. As well as direct support for such causes in the form of grants, the trustees may also provide indirect support, using the Trust's capital to make resources (typically premises) available to other deserving charitable organisations.

The trustees aim to distribute £500,000 to £600,000 per annum based on a real return of 4% upon the trust assets.

PUBLIC BENEFIT STATEMENT

The trustees have referred to guidance contained in the Charity Commission' general guidance on public benefit when reviewing the aims and objectives and in planning future activities. The charitable objectives are also set in order to provide a clear and demonstrated public benefit.

The Charity's activities throughout the period were consistent with its aims and objectives as stated above. All such activities are undertaken to further our charitable purposes for the public benefit.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is an unincorporated trust constituted under a trust deed dated 8th August 1989 and is a registered charity (numbered 802749). The trust deed provides that there be a minimum of three trustees. The trustees are appointed by members of the Willan family and serve for an indefinite term. The trustees who served the Charity during the year were as follows:

A Chapman
A Ohlsson
Willan Trustee Limited

The Charity does not actively fundraise and seeks to continue its support to appropriate charitable causes through the careful stewardship of its existing resources. The management of the Charitable fund is divided into two principal areas, asset management and grant making.

Responsibility for the asset management function is delegated to external investment managers. Brewin Dolphin Securities Ltd, UBS Wealth Management and Baillie Gifford manage investment portfolios for the Charity under discretionary investment management agreements. The trustees monitor the performance of the portfolios on a quarterly basis against relevant benchmarks.

The trustees are grateful to the Community Foundation serving Tyne & Wear and Northumberland (the "**Community Foundation**"). Applications are processed, collated and shortlisted by the Community Foundation on a quarterly basis. A subcommittee of the board of Willan Trustee Limited meet each quarter to vet the shortlist. The shortlist is then circulated to each of the trustees for consideration and approval.

Carlton Management Services Limited, a licenced trust company regulated by the Jersey Financial Services Commission, provides administrative and accounting services to the Charity.

The trustees aim to meet at least once a year to review the Charity's financial statements for the preceding year, the performance of its assets and its grant making activities and to consider whether changes are required in the Charity's policies and overall strategy.

RECRUITMENT OF TRUSTEES

Any trustee vacancies which arise are filled by search with due regard to maintaining a proper balance of skills and experience within the Board. Representation relevant to the service user group is a key factor given the Charity's mission.

All appointments are subject to the approval by members at a general meeting. With the notice of such meeting members are provided with a profile of prospective new trustees - and equivalent information for any trustee offering themselves for re-election. Additionally a full attendance record is provided to members to inform their decisions.

THE 1989 WILLAN CHARITABLE TRUST

TRUSTEES' REPORT - Year Ended 30th September 2021 (Continued)

TRUSTEE INDUCTION AND TRAINING

New trustees are provided with a proper induction process and a checklist ensures they receive all relevant papers and guidance to properly fulfil their responsibilities. Briefing papers and familiarisation training is affected for all trustees as deemed necessary.

RISK MANAGEMENT

The trustees have considered the major risks to which the Charity is exposed and have established systems and procedures to manage those risks.

RESERVES POLICY

The results for the year leave The 1989 Willan Charitable Trust with an Unrestricted Revenue Reserve of £24,443,246. It can be seen that of this sum £154,606 is held in Net Current Assets, that is, represented by cash, net debtors and therefore readily expendable by the trustees.

The trustees aim to distribute £500,000 to £600,000 per annum based on a real return of 4% upon the trust assets. It is the policy of the Charity to maintain a free cash balance of approximately six months' unrestricted expenditure. This provides sufficient funds to cover management, administration and support costs and to respond to applications for grants which arise from time to time.

The trustees have reviewed activities and prepared a risk assessment to enable them to consider the financial position of the organisation in light of the ongoing situation in relation to the Covid-19 virus. On conclusion of this work the trustees, having considered both the significant level of cash and investments held by the charity consider that there are no material uncertainties regarding the charity's ability to continue as a going concern for the next 12 months.

FINANCIAL REVIEW

As at 30 September 2021 the allocation stood as follows: 29.6% UBS discretionary portfolio, 29.9% Brewin Dolphin discretionary portfolio, and 40.5% Baillie Gifford Managed B Acc. In Q4, UK equities delivered a total return of +2.0% whilst 7-10 year gilts delivered a total return of -1.5% and the 50:50 composite index rose +0.2%. The composite return of the Willan portfolio was +1.3%.

The covid recovery remained the dominant driver of financial market performance. The recovery in corporate profits has been extremely robust and yoy earnings growth is forecast at +40%. As a result, risky, cyclical assets outperformed whilst defensive assets disappointed. For the full year global equities delivered a total return of +29.0%, led by energy companies +61.4% and financial companies +49.0%. Inflationary pressures mounted as Brent rose +92.4%, Natural gas rose +132.3% and Industrial metals rose +40.2%. In contrast, global government bonds fell -1.4% (7-10yr) and gold fell -6.8%. UK equities rose +25.4% and gilts fell -5.0%. Underperformance of UK assets vs global benchmarks partly reflected sterling strength as the pound gained +4.3% vs the US Dollar, +5.6% vs the Euro and +10.0% vs the Yen. The compounding influence of Brexit and a more severe covid impact also weighed on UK Businesses.

All 3 portfolios comfortably outperformed the 50:50 Benchmark benefiting from their overweight exposure to UK and International equities. UBS was the strongest portfolio +20.7%, closely followed by Brewin Dolphin +20.2%. Baillie Gifford was marginally weaker +16.7%. The UBS portfolio is predominantly invested in UK assets and has more exposure to value sectors which outperformed. The other portfolios are more internationally diversified and suffered to a greater extent from the strength of the pound. Brewin and Baillie Gifford benefitted from their overweight allocation to inflation linked and corporate bonds, which comfortably outperformed government bonds. Baillie Gifford delivered a staggering performance last year, significantly outperforming the other portfolios, but notably lagged this year. It holds a significant proportion of assets in US growth stocks and virtually no exposure to banks or energy companies. It also has higher exposure to Chinese stocks including tencent and alibaba which significantly underperformed global equities (Hang Seng -7.1%).

Total interest and dividend income was £437,294 equal to a yield of approximately 1.8%. This is consistent with both historic levels, and the trustees' expectations. The overall value of investments rose 15.8% (net of fees and distributions) to £24,040,256.

REVIEW OF GRANT MAKING ACTIVITIES

With effect from September 2020, the Charity has entered into a new Philanthropy Agreement with The Community Foundation, who will be responsible for payments of grants (under the new agreement) and will administer these from the funds held. Any monies paid to The Community Foundation under the new agreement will become an irrevocable gift. The Charity donated £493,823 to The Community Foundation in the financial year, to be distributed in accordance with the Philanthropy Agreement. Prior to September 2020, the Charity awarded 75 grants totalling £504,320 in the financial year to 30 September 2020 and a further £125,000 to The Community Foundation under the new agreement.

In addition to the grant making activity outlined above, the Charity gifted an additional £80,000 in total to the universities of Sunderland, Teesside, Newcastle and Northumbria, in order to provide support to graduates seeking to fund viable, sustainable new business ventures. (2020: £73,500).

As detailed in the accounting policy: gifts in kind, the charity also made effective donations totalling £32,400 (2020 - £37,185) in respect of lease arrangements made with other charitable organisations to provide access to accommodation at a below market value rental.

The trustees believe the services of the Community Foundation are delivering real value in helping the trustees to identify causes consistent with the stated aims and objectives of the Charity. In addition, the trustees recognise that the administration fees paid by the Charity to the Community Foundation indirectly support the charitable purposes of the Community Foundation itself which are wholly consistent with those of the Charity.

FUNDRAISING DISCLOSURES

The Charity is required to report how it deals with fundraising from the public. The Charity does not actively fundraise and seeks to continue its support to appropriate charitable causes through the careful stewardship of its existing funds, received from the Willan family.

PLANS FOR FUTURE YEARS

The trustees do not anticipate significant changes to the structure, resources and operations of the Charity in the foreseeable future. However, to the extent that suitable charitable projects may be identified, the trustees may consider allocating a portion of the Charity's grant making capacity to providing significant support to a limited number of specific charitable projects.

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with Financial Reporting Standard applicable in the United Kingdom (FRS 102). The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and the income and expenditure 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 Charities SORP;
- make judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper 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 Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

AUDITOR

Azets Audit Services Limited, trading as Azets Audit Services, were appointed as auditors to the charity following their acquisition of the trade of Tait Walker LLP, trading as MHA Tait Walker, on 1 May 2022. Azets Audit Services have indicated their willingness to stand for reappointment at the forthcoming Annual General Meeting.

Approved by the Trustees on 17 June 2022 and signed on their behalf by:

Trustee

A Ohlsson
Director

THE 1989 WILLAN CHARITABLE TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES Year Ended 30th September 2021

Opinion

We have audited the financial statements of Willan Charitable Trust (the 'entity') for the year ended 30 September 2021, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the entity's affairs as at 30 September 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities SORP (FRS 102) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to UK and Republic of Ireland (FRS 102).

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 entity 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 Trustee's 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 entity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

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 our knowledge and understanding of the entity 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 where the best practice requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustee's Responsibilities (set out on page 4), 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 entity'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 entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business'.

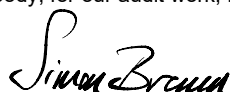
Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: the Charities Act 2011.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 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 charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Brown BA, ACA, DChA (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Statutory Auditor

Bulman House

Regent Centre

Gosforth

Newcastle upon Tyne

NE3 3LS

Date..... 21/6/2022

Azets Audit Services is a trading name of Azets Audit Services Limited.

THE 1989 WILLAN CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES - Year Ended 30th September 2021


		Year ended 30 Sep 2021	Year ended 30 Sep 2020
	Notes	£	£
INCOME			
Income from charitable activities	2	32,400	37,185
Other incoming resources:			
Dividends and Fixed Interest (Net)	3	437,197	466,926
Deposit Interest Received		99	907
TOTAL INCOME		<u>469,696</u>	<u>505,018</u>
EXPENDITURE			
Cost of raising funds:			
Investment Portfolio Management Fees		70,016	42,864
Expenditure on charitable activities:			
Gift in Kind	5	32,400	37,185
Cost of Grant Making	6	598,044	737,308
TOTAL EXPENDITURE		<u>700,460</u>	<u>817,357</u>
Revaluation of Investment Property	7	-	-
Movement on Investments including Gains & Losses	8	3,508,812	728,465
NET MOVEMENT IN TRUST FUND		<u>3,278,048</u>	<u>416,126</u>
Total funds brought forward		<u>21,165,198</u>	<u>20,749,072</u>
Total funds carried forward		<u><u>24,443,246</u></u>	<u><u>21,165,198</u></u>


THE 1989 WILLAN CHARITABLE TRUST

BALANCE SHEET - At 30th September 2021

	Notes	30 Sep 2021 £	30 Sep 2020 £
FIXED ASSETS			
Investment Property	7	248,384	248,384
Investments:			
Investments	8	24,040,256	20,764,263
Programme Related Investments	9	-	-
		<u>24,288,640</u>	<u>21,012,647</u>
CURRENT ASSETS			
Cash at Bank		160,306	158,071
		<u>160,306</u>	<u>158,071</u>
CURRENT LIABILITIES			
CREDITORS : Amounts Falling Due Within One Year	10	5,700	5,520
		<u>5,700</u>	<u>5,520</u>
NET CURRENT ASSETS		<u>154,606</u>	<u>152,551</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>24,443,246</u>	<u>21,165,198</u>
NET ASSETS		<u>24,443,246</u>	<u>21,165,198</u>
TRUST FUND	(Page 7)	<u>24,443,246</u>	<u>21,165,198</u>

The financial statements were approved by the Trustees on *17 June 2022*
and signed on their behalf by:

Trustee
Willan Trustee Limited

A Ohlsson
Director


F A Chapman
Director

THE 1989 WILLAN CHARITABLE TRUST

STATEMENT OF CASH FLOWS - At 30th September 2021

	30 Sep 2021 £	30 Sep 2020 £
OPERATING ACTIVITIES:		
Net Movement in Trust Fund	3,278,048	416,126
Adjusted for		
Movement on investments including Gains and Losses	(3,508,812)	(728,465)
Decrease in Debtors	-	1,909
Increase in Creditors	180	120
Net Cash Outflow from Operating Activities	<u>(230,584)</u>	<u>(310,310)</u>
INVESTING ACTIVITIES:		
Dividends and Fixed Interest	(437,197)	(467,422)
Investment Management Fees	70,016	42,864
Transfers from Portfolios	600,000	600,000
Proceeds from the sale of investment property	-	80,000
Net Cash Inflow from Investing Activities	<u>232,819</u>	<u>255,442</u>
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>2,235</u>	<u>(54,868)</u>
CASH AND CASH EQUIVALENTS AT 1 OCTOBER	158,071	212,939
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	<u><u>160,306</u></u>	<u><u>158,071</u></u>

THE 1989 WILLAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2021

1. ACCOUNTING POLICIES

- Accounting Convention -

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

The 1989 Willan Charitable Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recorded at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. The financial statements are prepared in sterling, which is the functional currency of the entity.

- Investment Property -

Property is shown at its fair value, which is taken to equal its market value, as estimated by the trustees. Any gain or loss on revaluation is taken to the Statement of Financial Activities. Property is held for the benefit of UK Registered Charities and the trustees do not receive commercial rent but account for the value of the commercial rent as rental income and as charitable donation. As property is held for long term capital gain and does not contribute to the net income of The 1989 Willan Charitable Trust, the trustees believe that it is not therefore appropriate to charge depreciation.

- Investments -

Investments are stated at their fair value, which is taken to equal the closing mid-market value as at 30th September 2021, net of any accrued management fees payable. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

- Programme Related Investments -

PRI are separately held from the charity's other investments and are held at net recoverable cost. The PRI represent loans and equity Investments made by the charity into new start-up companies with the potential to increase economic activity and employment in the North East of England. At each year end, the trustees assess the likelihood of recovery and provide against these investments, reducing the value of the investments. Where PRI are impaired at the year end, the charity charges 'charitable activities' within resources expended. Where a gain is made upon disposal of a PRI, then the gain is reported under 'other incoming resources'.

- Debtors-

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

- Cash at bank and in hand-

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

- Creditors and provisions-

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

- Taxation-

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

- Income-

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Interest receivable is recognised on a receivable basis, when the amount can be measured reliably - this is normally upon notification of the interest paid or payable by the bank.

- Investments Income-

Investment income is accounted for in the period in which the Charity is entitled to receipt.

THE 1989 WILLAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2021

1. ACCOUNTING POLICIES (continued)

- Gift in Kind-

Income from commercial trading activities is recognised as earned (as the related goods and services are provided) and as the rental and service charge falls due. Income regarded as "Rental Income from Properties" is included as a gift in kind based on the market rental value of each property. This is due to the charity entering into lease arrangements with charitable organisations to provide accommodation to those organisations at below market rental and often for £Nil consideration.

The trustees recognise that in doing so, these type of transactions continue to further their charity's objectives and are similar to the charity providing donations to these other charitable organisations. As a result the trustees have recorded the market value of the property rental as "Income from Charitable Activities - Rental Income from Properties" and an identical charge included as a "Gift in Kind" as part of Resources Expended in the SOFA. This has a £Nil impact on the reported result for the year, but recognises both the income that would be otherwise received and the effective donation made. This treatment does not impact upon the basis for holding these properties, for their capital gain potential rather than their social purpose.

- Expenditure-

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds are those costs of investments management fees, together with their associated support costs.
- Expenditure on charitable activities includes the costs associated with the provision of grant making and include both the direct costs and support costs relating to the activities of the charity.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

- Donations to the Community Foundation -

With effect from September 2020, the Charity has entered into a new Philanthropy Agreement with The Community Foundation, who will be responsible for payments of grants (under the new agreement) and will administer these from the funds held. Any monies paid to The Community Foundation under the new agreement will become an irrevocable gift. Donations to The Community Foundation are recognised within the cost of grant making in the SOFA.

- Fund Accounting -

The trustees have adopted an absolute return approach to investment, aiming to generate (and distribute) a real return on the Charity's assets averaging 3-4% per annum over the economic cycle. The Trust Deed makes no material distinction between the distribution of capital and the distribution of income and hence the balance of the Trust Fund is not segregated between them.

- Going Concern -

The trustees have reviewed activities and prepared a risk assessment to enable them to consider the financial position of the organisation in light of the ongoing situation in relation to the Covid-19 virus. On conclusion of this work the trustees, having considered both the significant level of cash and investments held by the charity, consider that there are no material uncertainties regarding the charity's ability to continue as a going concern for the next 12 months.

2. INCOME FROM CHARITABLE ACTIVITIES

	30 Sep 2021	30 Sep 2020
	£	£
Rental income from properties	32,400	37,185

3. INVESTMENT INCOME

	30 Sep 2021	30 Sep 2020
	£	£
UK Equities	270,077	275,133
UK Fixed Interest	6,931	15,792
UK Unit Trusts	49,215	53,140
Non UK Equities	55,477	45,811
Non UK Unit Trusts	51,309	67,373
Non UK Fixed Interest	272	3,660
Alternative Investments	3,916	6,017
	<u>437,197</u>	<u>466,926</u>

4. TRUSTEES' REMUNERATION

No salaries or wages have been paid to employees, including the members of the committee during the year (2020-None).

THE 1989 WILLAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2021

5. GIFTS IN KIND

	30 Sep 2021 £	30 Sep 2020 £
Rental donations	32,400	37,185

6. COST OF GRANT MAKING

	30 Sep 2021 £	30 Sep 2020 £
Grants Awarded	-	504,320
Donations to The Community Foundation	493,823	125,000
Donations to universities	80,000	73,500
Donation to purchase fund property	-	5,000
Prior Year Donations Returned	(6,200)	-
Administration fees	24,691	22,450
Audit and Accountancy fees	5,700	5,520
Property expenses	-	1,488
Bank charges	30	30
	<u>598,044</u>	<u>737,308</u>

Analysis of Donations to Universities:-

	£	£
Teesside University	30,000	30,000
Sunderland University	30,000	30,500
Northumbria University	20,000	13,000
	<u>80,000</u>	<u>73,500</u>

As detailed in Note 7 the Trust owns property which is let to registered charities at peppercorn rental. The commercial value of the rental for the period was approximately £32,400 (2020 - £37,185). These amounts have been shown as rental income and as donations. A full listing of grants awarded is available on request from the Community Foundation at the address listed on page 1.

7. INVESTMENT PROPERTY

	Held for sale £ 2021	Held for long term £ 2021	Held for sale £ 2020	Held for long term £ 2020
Summary				
Cost or valuation at beginning of period	-	248,384	80,000	248,384
Disposals	-	-	(80,000)	-
Transfer to held for sale	-	-	-	-
Revaluations in year	-	-	-	-
Cost or valuation at end of period	<u>-</u>	<u>248,384</u>	<u>-</u>	<u>248,384</u>

	Held for sale £ 2021	Held for long term £ 2021	Held for sale £ 2020	Held for long term £ 2020
By property -				
15 Taylor Street, Blyth, Northumberland NE24 5NA	-	34,666	-	34,666
77 Vine Street, South Shields, Tyne & Wear NE33 4RG	-	49,195	-	49,195
15 Chichester Road, South Shields, Tyne & Wear NE33 4AA	-	50,661	-	50,661
96 Northbourne Street, Gateshead, Tyne & Wear NE8 4AH	-	53,420	-	53,420
100 Hallside Road, Blyth, Northumberland, NE24 5PF	-	60,442	-	60,442
	<u>-</u>	<u>248,384</u>	<u>-</u>	<u>248,384</u>

All of the above properties are freehold apart from 96 Northbourne Street which is leasehold.

The trustees believe the market value of the properties held for the long term, are equal to their historic cost of £248,384 (2020 - 248,384 being £259,996 with impairment of £11,612).

15 Taylor Street was purchased on 17th June 2014 and was let from 20th August 2014 to a registered charity for a peppercorn rent. The commercial value of the rent for 15 Taylor Street is approximately £6,000 per annum. (2020: £5,760).

THE 1989 WILLAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2021

7. INVESTMENT PROPERTY (continued)

77 Vine Street, 15 Chichester Road, and 96 Northbourne Street were purchased on 11th September 2014, 26th September 2014 and 11th August 2014 respectively and are let to a registered charity for a peppercorn rent. The commercial value of the rent for these properties is approximately £19,680 per annum. (2020: £18,960).

100 Hallside Road, was purchased on 12th November 2014 and was let from 4th February 2015 to a registered charity for a peppercorn rent. The commercial value of the rent for 100 Hallside Road is approximately £6,720 per annum. (2020: £6,480).

The title deeds of the properties are currently held in the name of Willan Properties No1 Limited, Willan Properties No2 Limited and Willan Trustee Limited as the charity is unincorporated and is not able to hold property directly. All three companies are controlled by the trustees of the charity (Willan Trustee Limited being a trustee directly) and therefore have taken the view that the properties are beneficially owned by the charity.

8. INVESTMENTS

	30 Sep 2021	30 Sep 2020
	£	£
Market value at beginning of year	20,764,263	20,211,240
Income	437,196	467,422
Expenses	(70,016)	(42,864)
Withdrawals	(600,000)	(600,000)
Movement on investments including Gains and Losses	3,508,813	728,465
Market value at year end	<u>24,040,256</u>	<u>20,764,263</u>

Held as follows:-

	£	£
UK Equities	15,186,433	13,311,916
UK Fixed Interest	1,552,786	1,811,538
Non UK Equities	3,677,456	2,748,018
Non UK Unit Trusts	1,409,467	1,254,509
Non UK Fixed Interest	202,720	-
Alternative investments	1,380,829	1,194,215
Investment Dealing Accounts	656,166	457,378
Accrued Management Fees	(25,601)	(13,311)
	<u>24,040,256</u>	<u>20,764,263</u>

Held by:-

	Portfolio Turnover (%)	£	£
Brewin Dolphin Newcastle - Discretionary portfolio	11.04%	7,126,864	6,203,849
UBS AG Newcastle - Discretionary portfolio	32.82%	7,087,238	6,143,008
Baillie Gifford - investment portfolio	N/A	9,826,154	8,417,406
		<u>24,040,256</u>	<u>20,764,263</u>

Discretionary investment portfolios are managed by Brewin Dolphin Newcastle, UBS AG Newcastle and Baillie Gifford. At 30th September 2021, the portfolios did not include any individual investments whose market value was greater than 5% of the market value of the total (2020-None).

	£	£
Historic Cost	16,862,731	16,688,731

9. PROGRAMME RELATED INVESTMENTS

	30 Sep 2021	30 Sep 2020
	£	£
<u>Cost</u>		
As at 1 October	25,000	25,000
Additions - Komotion Limited	-	-
As at 30 September	<u>-</u>	<u>-</u>
<u>Impairment</u>		
As at 1 October	(25,000)	(25,000)
Impairment - Komotion Limited	-	-
As at 30 September	<u>-</u>	<u>-</u>
<u>Carrying Value</u>		
PRI Balances as at 30 September 2021	<u>-</u>	<u>-</u>
PRI Balances as at 30 September 2020	<u>-</u>	<u>-</u>

THE 1989 WILLAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2021

9. PROGRAMME RELATED INVESTMENTS (continued)

In 2018, the charity made an equity investment in Komotion Limited, a new start-up company with the potential to increase economic activity and employment in the North East of England. As at 30 September 2018, the Trustees were of the opinion that the investment should be fully impaired given its early stage development. Having reviewed the PRI position at 30 September 2021, the Trustees have agreed the investment should remain fully impaired.

10. CREDITORS: Amounts Falling Due Within One Year

	30 Sep 2021 £	30 Sep 2020 £
Audit fee	<u>5,700</u>	<u>5,520</u>

11. TRUST FUND

The trustees have adopted an absolute return approach to investment, aiming to generate (and distribute) a real return on the Charity's assets averaging 3-4% per annum over the economic cycle. The Trust Deed makes no material distinction between the distribution of capital and the distribution of income and hence the balance of the Trust Fund is not segregated between them.

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total £
Unrestricted Funds	<u>248,384</u>	<u>24,040,256</u>	<u>154,606</u>	<u>24,443,246</u>

13. RELATED PARTY TRANSACTIONS

Mr A Ohlsson, trustee, is a director of Carlton Management Services Limited, the company providing the accounting and administrative services to the Charity. There was no charge made in respect of such services and no outstanding balances at the year end.

Mr A Ohlsson and Mr A Chapman, trustees, are directors of Somerston Ventures Limited, a company who also hold a 5% equity share in Komotion Limited.

14. CAPITAL COMMITMENTS

The Charity has no capital commitments at the year end (2020 - None).

15. CONTINGENT LIABILITIES

The Charity has no contingent liabilities at the year end (2020 - None).

16. ULTIMATE CONTROLLING PARTY

In the opinion of the trustees there is no ultimate controlling party other than the trustees.

THE 1989 WILLAN CHARITABLE TRUST

England & Wales - Charity number 802749

Accounts

THE 1989 WILLAN CHARITABLE TRUST
FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 2020

CHARITY NO. 802749

THE 1989 WILLAN CHARITABLE TRUST

TRUSTEES' REPORT - Year Ended 30th September 2020

LEGAL AND ADMINISTRATIVE DETAILS

The Trustees submit their report and financial statements of The 1989 Willan Charitable Trust (the "Charity") for the year ended 30th September 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the trust deed, the Charities Act 2011 and the Statement of Recommended Practice, Accounting and Reporting by Charities 2015 (FRS 102).

Legal Status	The 1989 Willan Charitable Trust is a registered charity (registered number 802749).	
Governing Document	Trust Deed dated 8th August 1989	
Trustees	A Chapman A Ohlsson Willan Trustee Limited (Directors - M Bird, A Chapman, A Ohlsson, S Winfield and C Seccombe)	
Key Management Personnel	The charity does not employ any staff and therefore the board remain responsible for the day-to-day operation of the charity.	
Administrators and Principal Office	Carlton Management Services Limited PO Box 525, 4th Floor 45 Esplanade St Helier Jersey JE4 OWZ	
Grant Advisors	The Community Foundation Philanthropy House Woodbine Road Gosforth Newcastle upon Tyne NE3 1DD	
Investment Managers	Brewin Dolphin Ltd Time Central 32 Gallowgate Newcastle Upon Tyne NE1 4SR	Baillie Gifford Calton Square 1 Greenside Row Edinburgh EH1 3AN
	UBS Wealth Management 2 St. James' Gate Newcastle Upon Tyne NE4 7JH	
Bankers	Santander Private Banking PO Box 545 St. Helier Jersey JE4 8XG	
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle Upon Tyne NE1 4BF	
	Wardhadaway Sandgate House 102 Quayside Newcastle Upon Tyne NE1 3DX	
Auditors	MHA Tait Walker Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS	

THE 1989 WILLAN CHARITABLE TRUST

TRUSTEES' REPORT - Year Ended 30th September 2020

AIMS AND OBJECTIVES

The Charity was established by an initial gift from the Willan family out of funds originating from a shipping business based in the North East of England. Over the years the Willan family have settled further funds on the Charity.

The Charity's trust deed gives the trustees wide powers to distribute the income of the trust and such of its capital as they deem appropriate to or for such charitable institutions or charitable purposes as the trustees in their absolute discretion think fit. However, within this broad remit, the trustees recognise that the resources of the Trust are finite and that it is therefore necessary to target funds more selectively to areas where the funds can be used most effectively and can make the most difference.

In recognition of the origins of the Trust fund and the economic impact that the decline of the ship building industry has had on the region, the trustees tend to concentrate their support towards causes which are active in Tyne and Wear and its immediate surrounds. The trustees favour causes which aim to ease social deprivation and / or enrich the fabric of the local community and the quality of life of individuals within that community. They may also support education where that is aimed at improving the economy in areas of deprivation. As well as direct support for such causes in the form of grants, the trustees may also provide indirect support, using the Trust's capital to make resources (typically premises) available to other deserving charitable organisations.

The trustees aim to distribute £500,000 to £600,000 per annum based on a real return of 4% upon the trust assets. Within this limit, the trustees have neither a maximum nor minimum application figure (though awards made to date have typically been in the range of £1,000 - £10,000). The trustees wish the Charity to be a resource for all sections of the community and therefore do not wish to discourage applicants because their requirements are too small or their aspirations too great.

In considering which local causes to support and the level of support given, the trustees will also have regard to an applicant's ability to raise funds elsewhere. Consequently, the trustees tend to weight their support towards local charitable institutions rather than national or international ones on the basis that the larger institutions enjoy higher profiles and will typically have wider access to funds.

In cases of great need such as major natural disasters, conflicts or accidents, causes may be supported outside the trustees' normal parameters stated above.

PUBLIC BENEFIT STATEMENT

The trustees have referred to guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. The charitable objectives are also set in order to provide a clear and demonstrated public benefit.

The Charity's activities throughout the period were consistent with its aims and objectives as stated above. All such activities are undertaken to further our charitable purposes for the public benefit.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is an unincorporated trust constituted under a trust deed dated 8th August 1989 and is a registered charity (numbered 802749). The trust deed provides that there be a minimum of three trustees. The trustees are appointed by members of the Willan family and serve for an indefinite term. The trustees who served the Charity during the year were as follows:

A Chapman
A Ohlsson
Willan Trustee Limited

The Charity does not actively fundraise and seeks to continue its support to appropriate charitable causes through the careful stewardship of its existing resources. The management of the Charitable fund is divided into two principal areas, asset management and grant making.

Responsibility for the asset management function is delegated to external investment managers. Brewin Dolphin Securities Ltd, UBS Wealth Management and Baillie Gifford manage investment portfolios for the Charity under discretionary investment management agreements. The trustees monitor the performance of the portfolios on a quarterly basis against relevant benchmarks.

The trustees are grateful to the Community Foundation serving Tyne & Wear and Northumberland (the "**Community Foundation**"). Applications are processed, collated and shortlisted by the Community Foundation on a quarterly basis. A subcommittee of the board of Willan Trustee Limited meet each quarter to vet the shortlist. The shortlist is then circulated to each of the trustees for consideration and approval.

Carlton Management Services Limited, a licenced trust company regulated by the Jersey Financial Services Commission, provides administrative and accounting services to the Charity.

THE 1989 WILLAN CHARITABLE TRUST

TRUSTEES' REPORT - Year Ended 30th September 2020 (Continued)

The trustees aim to meet at least once a year to review the Charity's financial statements for the preceding year, the performance of its assets and its grant making activities and to consider whether changes are required in the Charity's policies and overall strategy.

RECRUITMENT OF TRUSTEES

Any trustee vacancies which arise are filled by search with due regard to maintaining a proper balance of skills and experience within the Board. Representation relevant to the service user group is a key factor given the Charity's mission.

All appointments are subject to the approval by members at a general meeting. With the notice of such meeting members are provided with a profile of prospective new trustees - and equivalent information for any trustee offering themselves for re-election. Additionally a full attendance record is provided to members to inform their decisions.

TRUSTEE INDUCTION AND TRAINING

New trustees are provided with a proper induction process and a checklist ensures they receive all relevant papers and guidance to properly fulfil their responsibilities. Briefing papers and familiarisation training is affected for all trustees as deemed necessary.

RISK MANAGEMENT

The trustees have considered the major risks to which the Charity is exposed and have established systems and procedures to manage those risks.

RESERVES POLICY

The results for the year leave The 1989 Willan Charitable Trust with an Unrestricted Revenue Reserve of £21,165,198. It can be seen that of this sum £152,551 is held in Net Current Assets, that is, represented by cash, net debtors and therefore readily expendable by the trustees.

The trustees aim to distribute £500,000 to £600,000 per annum based on a real return of 4% upon the trust assets. It is the policy of the Charity to maintain a free cash balance of approximately six months' unrestricted expenditure. This provides sufficient funds to cover management, administration and support costs and to respond to applications for grants which arise from time to time.

The trustees have reviewed activities and prepared a risk assessment to enable them to consider the financial position of the organisation in light of the ongoing situation in relation to the Covid-19 virus. On conclusion of this work the trustees, having considered both the significant level of cash and investments held by the charity consider that there are no material uncertainties regarding the charity's ability to continue as a going concern for the next 12 months.

FINANCIAL REVIEW

As at 30 September 2020 the allocation stood as follows: 29.6% UBS discretionary portfolio, 29.9% Brewin Dolphin discretionary portfolio, and 40.5% Baillie Gifford Managed B Acc. UK equities delivered a total return of -18.1% over the period. 7-10 year gilts delivered a total return of +2.5% and the 50:50 composite index fell -7.2% (quarterly re-balanced). The composite return of the Willan portfolio was 5.94%.

Global equity markets declined -33% on Covid-19 concerns before staging a rapid recovery supported by unprecedented liquidity from central banks and emergency government stimulus measures. For the full year global equities delivered a total return of +8.5%, global government bonds (7-10yr) returned +3.4%, gold rose +28.1%, and copper rose +17.1%. In contrast, UK equities fell -18.1% and gilts rose just +2.5% weighed down by a disproportionately negative covid impact, stalling Brexit negotiations and the FTSE's overweight skew to cyclical/value sectors. Oil fell -31.6% as global travel effectively ceased, energy stocks fell -46.4% and financial stocks fell -18.4% (the two sectors account for 28% of the FTSE 100 Index). US stocks (+16.1%) and particularly technology stocks (+42.9%) continued to lead the markets reinforcing their status as winners regardless of the economic climate.

Performance of the three investment portfolios varied considerably. The UBS portfolio fell -8.2% underperforming the composite benchmark which fell -7.2%. The Brewin Dolphin portfolio also declined, falling -0.6% whilst the Baillie Gifford Portfolio rose +26.5%. Sterling fell -2.2% vs the Euro and rose +5.1% vs. the US dollar impacting the portfolios internationally domiciled allocations. Gilts which make up 50% of the composite benchmark strongly outperformed UK equities during the year creating a headwind for all 3 portfolios which are significantly overweight equities. As the UBS portfolio is predominantly invested in UK assets its performance most clearly reflects this negative allocation decision. UBS and Brewin also have exposure to REITs which negatively impacted performance. Brewin and Baillie Gifford benefitted considerably from their international exposure and to a lesser degree from their overweight allocation to inflation linked and corporate bonds vs government bonds. Baillie Gifford delivered a staggering performance, outperforming the other portfolios both during the market decline and also during the recovery. Baillie Gifford holds a significant proportion of assets in the US and has a high exposure to small cap, growth and US tech stocks (its single largest industry allocation is internet stocks: 16.4% NAV) which performed incredibly well during the year. Its largest holding was Tesla which rose 790%.

Total interest and dividend income was £467,833 equal to a yield of approximately 2.3%. This is consistent with both historic levels, and the trustees' expectations. The overall value of investments rose 2.7% (net of fees and distributions) to £20,764,263.

THE 1989 WILLAN CHARITABLE TRUST

TRUSTEES' REPORT - Year Ended 30th September 2020 (Continued)

REVIEW OF GRANT MAKING ACTIVITIES

The Charity awarded 75 grants totalling £504,320 in the financial year compared to the 87 grants totalling £509,443 made in 2019. The general make up of the grants awarded is comparable with previous years and the increase in the average grant (from £5,855 to £6,724) is not reflective of any change in policy on the part of the trustees.

With effect from September 2020, the Charity has entered into a new Philanthropy Agreement with The Community Foundation, who will be responsible for payments of grants (under the new agreement) and will administer these from the funds held. Any monies paid to The Community Foundation under the new agreement will become an irrevocable gift. In September 2020, £125,000 was donated to The Community Foundation, to be distributed in accordance with the Philanthropy Agreement.

In addition to the grant making activity outlined above, the Charity gifted an additional £73,500 in total to the universities of Sunderland, Teesside, Newcastle and Northumbria, in order to provide support to graduates seeking to fund viable, sustainable new business ventures. (2019: £63,500).

As detailed in the accounting policy: gifts in kind, the charity also made effective donations totalling £37,185 (2019 - £39,800) in respect of lease arrangements made with other charitable organisations to provide access to accommodation at a below market value rental.

The trustees believe the services of the Community Foundation are delivering real value in helping the trustees to identify causes consistent with the stated aims and objectives of the Charity. In addition, the trustees recognise that the administration fees paid by the Charity to the Community Foundation indirectly support the charitable purposes of the Community Foundation itself which are wholly consistent with those of the Charity.

FUNDRAISING DISCLOSURES

The Charity is required to report how it deals with fundraising from the public. The Charity does not actively fundraise and seeks to continue its support to appropriate charitable causes through the careful stewardship of its existing funds, received from the Willan family.

PLANS FOR FUTURE YEARS

The trustees do not anticipate significant changes to the structure, resources and operations of the Charity in the foreseeable future. However, to the extent that suitable charitable projects may be identified, the trustees may consider allocating a portion of the Charity's grant making capacity to providing significant support to a limited number of specific charitable projects.

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with Financial Reporting Standard applicable in the United Kingdom (FRS 102). The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and the income and expenditure 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 Charities SORP;
- make judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper 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 Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

AUDITOR

A resolution to re-appoint MHA Tait Walker as auditor for the ensuing year will be proposed at the Annual General Meeting.

Approved by the Trustees on *22 July 2021* and signed on their behalf by:

Trustee

A Ohlsson
Director



THE 1989 WILLAN CHARITABLE TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES Year Ended 30th September 2020

Opinion

We have audited the financial statements of The 1989 Willan Trust (the 'charity') for the year ended 30 September 2020, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 30 September 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; and
- 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.

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.

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 our 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' Annual Report.

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

- sufficient accounting records have not been kept; or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified.
- we have not received all the information and explanations we require for our audit.

THE 1989 WILLAN CHARITABLE TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES Year Ended 30th September 2020 (continued)

Statement of trustees' responsibilities

As explained more fully in the statement of Trustees' Responsibilities in relation to the financial statements [set out on page 4], 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 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 judgement 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 controls 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 charity's 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.


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 the report

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

.....

Simon Brown BA, ACA, DChA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker, Statutory Auditor

Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS
Date:.....

MHA Tait Walker is a trading name of Tait Walker LLP

THE 1989 WILLAN CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES - Year Ended 30th September 2020

		Year ended 30 Sep 2020	Year ended 30 Sep 2019
	Notes	£	£
INCOME			
Income from charitable activities	2	37,185	39,800
Other incoming resources:			
Dividends and Fixed Interest (Net)	3	466,926	527,613
Deposit Interest Received		907	927
TOTAL INCOME		<u>505,018</u>	<u>568,340</u>
EXPENDITURE			
Cost of raising funds:			
Investment Portfolio Management Fees		42,864	37,539
Expenditure on charitable activities:			
Gift in Kind	5	37,185	39,800
Cost of Grant Making	6	737,308	595,135
TOTAL EXPENDITURE		<u>817,357</u>	<u>672,474</u>
Revaluation of Investment Property	7	-	(11,612)
Movement on Investments including Gains & Losses	8	728,465	416,370
NET MOVEMENT IN TRUST FUND		<u>416,126</u>	<u>300,624</u>
Total funds brought forward		20,749,072	20,448,448
Total funds carried forward		<u><u>21,165,198</u></u>	<u><u>20,749,072</u></u>

THE 1989 WILLAN CHARITABLE TRUST

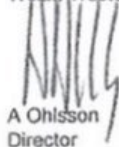
BALANCE SHEET - At 30th September 2020

	Notes	30 Sep 2020 £	30 Sep 2019 £
FIXED ASSETS			
Investment Property	7	248,384	248,384
Investments:	8	20,764,263	20,211,240
Investments			
Programme Related Investments	9	-	-
		<u>21,012,647</u>	<u>20,459,624</u>
CURRENT ASSETS			
Investment Property held for sale	7	-	80,000
Debtors	10	-	1,909
Cash at Bank		158,071	212,939
		<u>158,071</u>	<u>294,848</u>
CURRENT LIABILITIES			
CREDITORS : Amounts Falling Due Within One Year	11	5,520	5,400
		<u>5,520</u>	<u>5,400</u>
NET CURRENT ASSETS		<u>152,551</u>	<u>289,448</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>21,165,198</u>	<u>20,749,072</u>
NET ASSETS		<u>21,165,198</u>	<u>20,749,072</u>
TRUST FUND	(Page 7)	<u>21,165,198</u>	<u>20,749,072</u>

The financial statements were approved by the Trustees on
and signed on their behalf by:

22 July 2021

Trustee
Willan Trustee Limited


A Ohlsson
Director


F A Chapman
Director

THE 1989 WILLAN CHARITABLE TRUST

STATEMENT OF CASH FLOWS - At 30th September 2020

	30 Sep 2020 £	30 Sep 2019 £
OPERATING ACTIVITIES:		
Net Movement in Trust Fund	416,126	300,624
Adjusted for		
Movement on investments including Gains and Losses	(728,465)	(416,370)
Revaluation of Investment Property	-	11,612
Decrease / (increase) in Debtors	1,909	(1,909)
Increase in Creditors	120	60
Net Cash Outflow from Operating Activities	<u>(310,310)</u>	<u>(105,983)</u>
 INVESTING ACTIVITIES:		
Dividends and Fixed Interest	(467,422)	(528,472)
Investment Management Fees	42,864	37,539
Transfers from Portfolios	600,000	745,000
Proceeds from the sale of investment property	80,000	-
Net Cash Inflow from Investing Activities	<u>255,442</u>	<u>254,067</u>
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	<u>(54,868)</u>	<u>148,084</u>
CASH AND CASH EQUIVALENTS AT 1 OCTOBER	<u>212,939</u>	<u>64,855</u>
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	<u><u>158,071</u></u>	<u><u>212,939</u></u>

THE 1989 WILLAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2020

1. ACCOUNTING POLICIES

- Accounting Convention -

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

The 1989 Willan Charitable Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recorded at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. The financial statements are prepared in sterling, which is the functional currency of the entity.

- Investment Property -

Property is shown at its fair value, which is taken to equal its market value, as estimated by the trustees. Any gain or loss on revaluation is taken to the Statement of Financial Activities. Property is held for the benefit of UK Registered Charities and the trustees do not receive commercial rent but account for the value of the commercial rent as rental income and as charitable donation. As property is held for long term capital gain and does not contribute to the net income of The 1989 Willan Charitable Trust, the trustees believe that it is not therefore appropriate to charge depreciation.

- Investments -

Investments are stated at their fair value, which is taken to equal the closing mid-market value as at 30th September 2020. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

- Programme Related Investments -

PRI are separately held from the charity's other investments and are held at net recoverable cost. The PRI represent loans and equity Investments made by the charity into new start-up companies with the potential to increase economic activity and employment in the North East of England. At each year end, the trustees assess the likelihood of recovery and provide against these investments, reducing the value of the investments. Where PRI are impaired at the year end, the charity charges 'charitable activities' within resources expended. Where a gain is made upon disposal of a PRI, then the gain is reported under 'other incoming resources'.

- Debtors-

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

- Cash at bank and in hand-

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

- Creditors and provisions-

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

- Taxation-

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

- Income-

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Interest receivable is recognised on a receivable basis, when the amount can be measured reliably - this is normally upon notification of the interest paid or payable by the bank.

- Investments Income-

Investment income is accounted for in the period in which the Charity is entitled to receipt.

THE 1989 WILLAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2020

1. ACCOUNTING POLICIES (continued)

- Gift in Kind-

Income from commercial trading activities is recognised as earned (as the related goods and services are provided) and as the rental and service charge falls due. Income regarded as "Rental Income from Properties" is included as a gift in kind based on the market rental value of each property. This is due to the charity entering into lease arrangements with charitable organisations to provide accommodation to those organisations at below market rental and often for £Nil consideration.

The trustees recognise that in doing so, these type of transactions continue to further their charity's objectives and are similar to the charity providing donations to these other charitable organisations. As a result the trustees have recorded the market value of the property rental as "Income from Charitable Activities - Rental Income from Properties" and an identical charge included as a "Gift in Kind" as part of Resources Expended in the SOFA. This has a £Nil impact on the reported result for the year, but recognises both the income that would be otherwise received and the effective donation made. This treatment does not impact upon the basis for holding these properties, for their capital gain potential rather than their social purpose.

- Expenditure-

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds are those costs of investments management fees, together with their associated support costs.
- Expenditure on charitable activities includes the costs associated with the provision of grant making and include both the direct costs and support costs relating to the activities of the charity.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

- Donations to the Community Foundation -

With effect from September 2020, the Charity has entered into a new Philanthropy Agreement with The Community Foundation, who will be responsible for payments of grants (under the new agreement) and will administer these from the funds held. Any monies paid to The Community Foundation under the new agreement will become an irrevocable gift. Donations to The Community Foundation are recognised within the cost of grant making in the SOFA.

- Fund Accounting -

The trustees have adopted an absolute return approach to investment, aiming to generate (and distribute) a real return on the Charity's assets averaging 3-4% per annum over the economic cycle. The Trust Deed makes no material distinction between the distribution of capital and the distribution of income and hence the balance of the Trust Fund is not segregated between them.

- Going Concern -

The trustees have reviewed activities and prepared a risk assessment to enable them to consider the financial position of the organisation in light of the ongoing situation in relation to the Covid-19 virus. On conclusion of this work the trustees, having considered both the significant level of cash and investments held by the charity consider that there are no material uncertainties regarding the charity's ability to continue as a going concern for the next 12 months.

2. INCOME FROM CHARITABLE ACTIVITIES

	30 Sep 2020	30 Sep 2019
	£	£
Rental income from properties	37,185	39,800

3. INVESTMENT INCOME

	30 Sep 2020	30 Sep 2019
	£	£
UK Equities	275,133	339,036
UK Fixed Interest	15,792	23,941
UK Unit Trusts	53,140	23,392
Non UK Equities	45,811	76,749
Non UK Unit Trusts	67,373	52,493
Non UK Fixed Interest	3,660	7,259
Alternative Investments	6,017	4,743
	<u>466,926</u>	<u>527,613</u>

4. TRUSTEES' REMUNERATION

No salaries or wages have been paid to employees, including the members of the committee during the year (2019-None).

THE 1989 WILLAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2020

5. GIFTS IN KIND

	30 Sep 2020 £	30 Sep 2019 £
Rental donations	37,185	39,800

6. COST OF GRANT MAKING

	30 Sep 2020 £	30 Sep 2019 £
Grants Awarded	504,320	509,443
Donations to The Community Foundation	125,000	-
Donations to universities	73,500	63,500
Donation to purchase fund property	5,000	-
Prior Year Donations Returned	-	(5,000)
Administration fees	22,450	21,600
Audit and Accountancy fees	5,520	5,400
Property expenses	1,488	-
Bank charges	30	60
Board expenses	-	132
	<u>737,308</u>	<u>595,135</u>

Analysis of Grants Awarded:-

By Sector	£	£
Building our children's future (21 grants, 2019 - 23 grants)	130,605	119,938
Improving health (29 grants, 2019 - 31 grants)	200,856	207,619
Taking part in community life (21 grants, 2019 - 30 grants)	159,359	162,242
Enjoying later life (4 grants, 2019 - 3 grants)	13,500	19,644
Total (75 grants, 2019 - 87 grants)	<u>504,320</u>	<u>509,443</u>

By Region	£	£
Darlington (2 grants, 2019 - 3 grants)	10,000	12,500
Durham (17 grants, 2019 - 9 grants)	109,598	57,624
Gateshead (1 grant, 2019 - 8 grants)	1,660	35,195
Hartlepool (1 grant, 2019 - 4 grants)	4,400	15,927
Middlesbrough (5 grants, 2019 - 5 grants)	41,369	39,458
Newcastle (14 grants, 2019 - 15 grants)	121,805	104,631
North Tyneside (8 grants, 2019 - 3 grants)	57,500	17,100
Northumberland (12 grants, 2019 - 15 grants)	65,300	76,965
South Tyneside (6 grants, 2019 - 6 grants)	39,672	37,170
Stockton (2 grants, 2019 - 3 grants)	15,000	14,340
Sunderland (6 grants, 2019 - 11 grants)	37,016	79,533
Out of Area (1 grant, 2019 - 4 grants)	1,000	9,000
Redcar (0 grants, 2019 - 1 grant)	-	10,000
Total (75 grants, 2019 - 87 grants)	<u>504,320</u>	<u>509,443</u>

By Size of Grant	£	£
£10,001 or over (1 grant, 2019 - 0 grants)	25,000	-
£5,001-£10,000 (36 grants, 2019 - 40 grants)	334,806	351,502
£1,001-5,000 (38 grants, 2019 - 42 grants)	144,514	155,441
£1,000 or less (0 grants, 2019 - 5 grants)	-	2,500
Total (75 grants, 2019 - 87 grants)	<u>504,320</u>	<u>509,443</u>

By Type of Recipient	£	£
Paid to individuals (0 grants, 2019 - 4 grants)	-	2,000
Paid to institutions (75 grants, 2019 - 83 grants)	504,320	507,443
Total (75 grants, 2019 - 87 grants)	<u>504,320</u>	<u>509,443</u>

THE 1989 WILLAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2020

6. COST OF GRANT MAKING (continued)

Analysis of Donations to Universities:-	£	£
Teesside University	30,000	5,000
Sunderland University	30,500	41,000
Northumbria University	13,000	17,500
	<u>73,500</u>	<u>63,500</u>

As detailed in Note 7 the Trust owns property which is let to registered charities at peppercorn rental. The commercial value of the rental for the period was approximately £37,185 (2019 - £39,800). These amounts have been shown as rental income and as donations. A full listing of grants awarded is available on request from the Community Foundation at the address listed on page 1.

7. INVESTMENT PROPERTY

	Held for sale £ 2020	Held for long term £ 2020	Held for sale £ 2019	Held for long term £ 2019
Summary				
Cost or valuation at beginning of period	80,000	248,384	-	339,996
Disposals	(80,000)	-	-	-
Transfer to held for sale	-	-	80,000	(80,000)
Revaluations in year	-	-	-	(11,612)
Cost or valuation at end of period	<u>-</u>	<u>248,384</u>	<u>80,000</u>	<u>248,384</u>

	Held for sale £ 2020	Held for long term £ 2020	Held for sale £ 2019	Held for long term £ 2019
By property -				
19a Lowthian Road, Hartlepool TS24 8BH	-	-	80000	-
15 Taylor Street, Blyth, Northumberland NE24 5NA	-	34,666	-	34,666
77 Vine Street, South Shields, Tyne & Wear NE33 4RG	-	49,195	-	49,195
15 Chichester Road, South Shields, Tyne & Wear NE33 4A	-	50,661	-	50,661
96 Northbourne Street, Gateshead, Tyne & Wear NE8 4AH	-	53,420	-	53,420
100 Hallside Road, Blyth, Northumberland, NE24 5PF	-	60,442	-	60,442
	<u>-</u>	<u>248,384</u>	<u>80,000</u>	<u>248,384</u>

All of the above properties are freehold apart from 96 Northbourne Street which is leasehold.

The trustees believe the market value of the properties held for the long term, are equal to their historic cost of £248,384 (2019 - 248,384). In April 2020, the trustees completed the sale of 19a Lowthian Road to a registered charity for a consideration of £80,000.

19a Lowthian Road was purchased during the year ended 2010 and was let to a registered charity for a peppercorn rent. The commercial value of the rent for 19a Lowthian Road up to the date of sale was approximately £5,985. (2019: £9,800).

15 Taylor Street was purchased on 17th June 2014 and was let from 20th August 2014 to a registered charity for a peppercorn rent. The commercial value of the rent for 15 Taylor Street is approximately £5,760 per annum. (2019: £5,520).

77 Vine Street, 15 Chichester Road, and 96 Northbourne Street were purchased on 11th September 2014, 26th September 2014 and 11th August 2014 respectively and are let to a registered charity for a peppercorn rent. The commercial value of the rent for these properties is approximately £18,960 per annum. (2019: £18,240).

100 Hallside Road, was purchased on 12th November 2014 and was let from 4th February 2015 to a registered charity for a peppercorn rent. The commercial value of the rent for 100 Hallside Road is approximately £6,480 per annum. (2019: £6,240).

The title deeds of the properties are currently held in the name of Willan Properties No1 Limited, Willan Properties No2 Limited and Willan Trustee Limited as the charity is unincorporated and is not able to hold property directly. All three companies are controlled by the trustees of the charity (Willan Trustee Limited being a trustee directly) and therefore have taken the view that the properties are beneficially owned by the charity.

THE 1989 WILLAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2020

8. INVESTMENTS	30 Sep 2020	30 Sep 2019
	£	£
Market value at beginning of year	20,211,240	20,048,937
Income	467,422	528,472
Expenses	(42,864)	(37,539)
Withdrawals	(600,000)	(745,000)
Movement on investments including Gains and Losses	728,465	416,370
Market value at year end	<u>20,764,263</u>	<u>20,211,240</u>
Held as follows:-	£	£
UK Equities	13,311,916	12,282,563
UK Fixed Interest	1,811,538	2,552,835
UK Unit Trusts	-	330,805
Non UK Equities	2,748,018	-
Non UK Unit Trusts	1,254,509	4,172,921
Alternative investments	1,194,215	658,476
Investment Dealing Accounts	457,378	213,640
Accrued Management Fees	(13,311)	-
	<u>20,764,263</u>	<u>20,211,240</u>
Held by:-	Portfolio	
	Turnover (%)	
	£	£
Brewin Dolphin Newcastle - Discretionary portfolio	18.60%	6,203,849
UBS AG Newcastle - Discretionary portfolio	60.54%	6,143,008
Baillie Gifford - investment portfolio	N/A	8,417,406
		<u>20,764,263</u>
		<u>20,211,240</u>

Discretionary investment portfolios are managed by Brewin Dolphin Newcastle, UBS AG Newcastle and Baillie Gifford. At 30th September 2020, the portfolios did not include any individual investments whose market value was greater than 5% of the market value of the total (2019-None).

	£	£
Historic Cost	16,688,731	16,685,422

9. PROGRAMME RELATED INVESTMENTS

	30 Sep 2020	30 Sep 2019
	£	£
<u>Cost</u>		
As at 1 October	25,000	25,000
Additions - Komotion Limited	-	-
As at 30 September	<u>-</u>	<u>-</u>
<u>Impairment</u>		
As at 1 October	(25,000)	(25,000)
Impairment - Komotion Limited	-	-
As at 30 September	<u>-</u>	<u>-</u>
<u>Carrying Value</u>		
PRI Balances as at 30 September 2020	<u>-</u>	<u>-</u>
PRI Balances as at 30 September 2019	<u>-</u>	<u>-</u>

In 2018, the charity made an equity investment in Komotion Limited, a new start-up company with the potential to increase economic activity and employment in the North East of England. As at 30 September 2018, the Trustees were of the opinion that the investment should be fully impaired given its early stage development. Having reviewed the PRI position at 30 September 2020, the Trustees have agreed the investment should remain fully impaired.

10. DEBTORS

	30 Sep 2020	30 Sep 2019
	£	£
Other debtors	<u>-</u>	<u>1,909</u>

THE 1989 WILLAN CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - Year Ended 30th September 2020

11. CREDITORS: Amounts Falling Due Within One Year

	30 Sep 2020 £	30 Sep 2019 £
Audit fee	<u>5,520</u>	<u>5,400</u>

12. TRUST FUND

The trustees have adopted an absolute return approach to investment, aiming to generate (and distribute) a real return on the Charity's assets averaging 3-4% per annum over the economic cycle. The Trust Deed makes no material distinction between the distribution of capital and the distribution of income and hence the balance of the Trust Fund is not segregated between them.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total £
Unrestricted Funds	<u>248,384</u>	<u>20,764,263</u>	<u>152,551</u>	<u>21,165,198</u>

14. RELATED PARTY TRANSACTIONS

Mr A Ohlsson, trustee, is a director of Carlton Management Services Limited, the company providing the accounting and administrative services to the Charity. There was no charge made in respect of such services and no outstanding balances at the year end.

Mr A Ohlsson and Mr A Chapman, trustees, are directors of Somerston Ventures Limited, a company who also hold a 5% equity share in Komotion Limited.

15. CAPITAL COMMITMENTS

The Charity has no capital commitments at the year end (2019 - None).

16. CONTINGENT LIABILITIES

The Charity has no contingent liabilities at the year end (2019 - None).

17. POST BALANCE SHEET EVENTS

Since the balance sheet date, the global disruption caused by Covid-19 during 2020 is continuing into 2021. The situation is fast changing and the scale of the impact on the global economy, on capital markets and on individual businesses remains uncertain. The amounts stated in these financial statements reflect conditions existing as at the balance sheet date as the impact of Covid-19 is considered a non-adjusting event.

The discretionary investment portfolios, held by the charity, have seen an increase in value since the year end. Should the value fall, the portfolios are highly liquid, and the Investment Managers have the ability to rebalance the portfolios accordingly, in response to changing market conditions. The approach taken by the Trustees, as the portfolios have a medium term investment horizon, is to hold the investment portfolios during the market volatility caused by Covid-19. The Trustees plan to continue with the Grant making activities, distributing between £500,000 and £600,000 per annum.

18. ULTIMATE CONTROLLING PARTY

In the opinion of the trustees there is no ultimate controlling party other than the trustees.