

THE WATSON FAMILY CHARITABLE TRUST

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

THE WATSON FAMILY CHARITABLE TRUST

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THE WATSON FAMILY CHARITABLE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE INCORPORATED ORGANISATION,
ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2020

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

THE WATSON FAMILY CHARITABLE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The Trustees present their annual report together with the financial statements of the charitable incorporated organisation for the year 1 April 2019 to 31 March 2020.

Objectives and activities

a. Policies and objectives

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

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

b. Strategies for achieving objectives

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

c. Grant-making policies

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

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

The CIO provides financial assistance by way of grants to local and medical causes, and for humanitarian purposes, to organisations or individuals for the public benefit.

Achievements and performance

a. Key performance indicators

The Trustees have regard only to financial performance of the CIO's investments including investment fluctuations. They note that the overall performance for the year was down 7.85% compared to 2019 as a result of the effects of the coronavirus pandemic. However it is noted that the drop in valuation which occurred during the year had recovered by the end of the first quarter of the 2020/21 financial year

b. Review of activities

The CIO was established in 2015 with a donation of £1 million from Mr Ian Watson, a Trustee. The Board met formally once during the period but also corresponded by email and spoke regularly to agree the payment of grants that are the subject of these financial statements. The grants were made to benefit local communities and for humanitarian purposes overseas. These totalled £76,020, and are detailed in note 6 to these financial statements.

THE WATSON FAMILY CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Achievements and performance (continued)

c. Investment policy and performance

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

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the CIO has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

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

b. Reserves policy

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

c. Principal risks and uncertainties

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

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

Ineffective grant-making policies are mitigated by employing experienced Trustees who undertake proper due diligence in assessing applications.

Structure, governance and management

a. Methods of appointment or election of Trustees

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

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

THE WATSON FAMILY CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Statement of Trustees' responsibilities

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial which give a true and fair view of the state of affairs of the charitable incorporated organisation and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable incorporated organisation will continue in business.

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

Approved by order of the members of the board of Trustees on 19 January 2021 and signed on their behalf by:

Mr Ian Watson
Chairman

THE WATSON FAMILY CHARITABLE TRUST

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 MARCH 2020

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

I report to the charity Trustees on my examination of the accounts of the charitable incorporated organisation for the year ended 31 March 2020.

Responsibilities and basis of report

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

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

Independent examiner's statement

Your attention is drawn to the fact that the charitable incorporated organisation has prepared the accounts in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

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

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

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

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

THE WATSON FAMILY CHARITABLE TRUST

INDEPENDENT EXAMINER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

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

20 January 2021

Detlev Anderson FCA, DChA

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

THE WATSON FAMILY CHARITABLE TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:				
Donations and legacies	3	-	-	12,050
Investments	4	11,124	11,124	9,361
		11,124	11,124	21,411
Total income				
Expenditure on:				
Investment management	5	1,767	1,767	1,390
Charitable activities:				
Grants paid in the year		76,020	76,020	117,294
Governance costs		3,120	3,120	3,000
Other		89	89	78
		80,996	80,996	121,762
Total expenditure				
Net (losses)/gains on investments		(56,586)	(56,586)	11,435
		(126,458)	(126,458)	(88,916)
Net movement in funds				
Reconciliation of funds:				
Total funds brought forward		703,442	703,442	792,358
Net movement in funds		(126,458)	(126,458)	(88,916)
		576,984	576,984	703,442
Total funds carried forward				

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 9 to 18 form part of these financial statements.

THE WATSON FAMILY CHARITABLE TRUST

**BALANCE SHEET
AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
Fixed assets			
Investments	11	555,158	602,469
		<u>555,158</u>	<u>602,469</u>
Current assets			
Debtors	12	-	6
Cash at bank and in hand		25,383	104,382
		<u>25,383</u>	<u>104,388</u>
Creditors: amounts falling due within one year	13	(3,558)	(3,415)
		<u>21,825</u>	<u>100,973</u>
Net current assets		<u>21,825</u>	<u>100,973</u>
Total assets less current liabilities		<u>576,983</u>	<u>703,442</u>
Net assets excluding pension asset		<u>576,983</u>	<u>703,442</u>
Total net assets		<u><u>576,983</u></u>	<u><u>703,442</u></u>
Charity funds			
Unrestricted funds	15	576,983	703,442
Total funds		<u><u>576,983</u></u>	<u><u>703,442</u></u>

The financial statements were approved and authorised for issue by the Trustees on 19 January 2021 and signed on their behalf by:

Mr Ian Watson
Chairman

THE WATSON FAMILY CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. General information

The charitable incorporated organisation is registered with the Charity Commission for England and Wales, number 1159965. Its principal administration address is 3 Keel Row, The Watermark, Gateshead, NE11 9SZ.

The charitable incorporated organisation is a grant-making charity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

2.2 Going concern

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

2.3 Income

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

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

THE WATSON FAMILY CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity.

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

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

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

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

2.7 Fund accounting

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

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

THE WATSON FAMILY CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

3. Income from donations and legacies

	Unrestricted funds 2020 £	Total funds 2020 £
Donations	-	-
	-	-
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations	12,050	12,050
	12,050	12,050

4. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Income from local listed investments	10,890	10,890
Interest receivable	234	234
	11,124	11,124
Total 2020		
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Income from local listed investments	9,065	9,065
Interest receivable	296	296
	9,361	9,361
<i>Total 2019</i>		

THE WATSON FAMILY CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

5. Investment management costs

	Unrestricted funds 2020 £	Total funds 2020 £
Investment management fees	1,767	1,767
	<u>1,767</u>	<u>1,767</u>
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Investment management fees	1,390	1,390
	<u>1,390</u>	<u>1,390</u>

6. Grants to institutions

	Grants to Institutions 2020 £	Grants to Individuals 2020 £	Total funds 2020 £
Whickham School and Sports College	50,000	-	50,000
Alan Shearer Foundation	9,000	-	9,000
Percy Hedley Foundation	4,500	-	4,500
Jessica's Sarcoma Awareness	1,000	-	1,000
St George's Church Jesmond - for the community of Jesmond	11,520	-	11,520
Total 2020	<u>76,020</u>	<u>-</u>	<u>76,020</u>

THE WATSON FAMILY CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

6. Grants to institutions (continued)

	<i>Grants to Institutions 2019 £</i>	<i>Total funds 2019 £</i>
Maval Electrical - Ryan Robinson apprenticeship grants	11,738	11,738
Alan Shearer Foundation	30,000	30,000
Archbishop of York's Youth Trust	6,762	6,762
Success for All	12,000	12,000
Percy Hedley Foundation	41,000	41,000
St George's Church Jesmond - for the community of Jesmond	5,794	5,794
Little Sisters	10,000	10,000
<i>Total 2019</i>	<i>117,294</i>	<i>117,294</i>

7. Support costs

	Unrestricted funds 2020 £	Total funds 2020 £
Accountancy fees - governance	3,120	3,120
Sundry costs	89	89
Total 2020	3,209	3,209

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Accountancy fees - governance	3,000	3,000
Sundry costs	78	78
<i>Total 2019</i>	<i>3,078</i>	<i>3,078</i>

THE WATSON FAMILY CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

8. Analysis of charitable activities

	Grant funding activities 2020 £	Support costs 2020 £	Total funds 2020 £
Grant making	76,020	4,976	80,996
Total 2020	76,020	4,976	80,996

	<i>Grant funding activities 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Grant making	117,294	4,468	121,762
	117,294	4,468	121,762

9. Independent examiner's remuneration

	2020 £	<i>2019 £</i>
Fees payable to the charitable incorporated organisation's independent examiner for the independent examination of the charitable incorporated organisation's annual accounts, inclusive of VAT	1,620	<i>1,540</i>
Fees payable to the charitable incorporated organisation's independent examiner in respect of:		
Taxation compliance services	500	<i>480</i>
Accountancy services, inclusive of VAT	1,000	<i>980</i>
	1,620	<i>1,540</i>

10. Trustees' remuneration and expenses

During the Year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the Year ended 31 March 2020, no Trustee expenses have been incurred (2019 - £NIL).

THE WATSON FAMILY CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

11. Fixed asset investments

	Listed investments £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 April 2019	575,437	27,032	602,469
Additions	-	9,275	9,275
Revaluations	(56,586)	-	(56,586)
At 31 March 2020	518,851	36,307	555,158
Net book value			
At 31 March 2020	518,851	36,307	555,158
<i>At 31 March 2019</i>	<i>575,437</i>	<i>27,032</i>	<i>602,469</i>

12. Debtors

	2020 £	2019 £
Due within one year		
Prepayments and accrued income	-	6
	-	6

13. Creditors: Amounts falling due within one year

	2020 £	2019 £
Accruals and deferred income	3,558	3,415
	3,558	3,415

THE WATSON FAMILY CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

14. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through income and expenditure	518,851	575,437
	2020 £	2019 £
Financial liabilities		
Other financial liabilities measured at fair value through income and expenditure	3,558	3,415

Financial assets measured at fair value through income and expenditure comprise listed investments.

Other financial liabilities measured at fair value through income and expenditure comprise accruals.

THE WATSON FAMILY CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

15. Statement of funds

Statement of funds - current year

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds					
General Funds	703,442	11,124	(80,997)	(56,586)	576,983

Statement of funds - prior year

	<i>Balance at 1 April 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2019 £</i>
Unrestricted funds					
General Funds	792,358	21,411	(121,762)	11,435	703,442

16. Summary of funds

Summary of funds - current year

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
General funds	703,442	11,124	(80,997)	(56,586)	576,983

Summary of funds - prior year

	<i>Balance at 1 April 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2019 £</i>
General funds	792,358	21,411	(121,762)	11,435	703,442

THE WATSON FAMILY CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

17. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Total funds 2020 £
Fixed asset investments	555,158	555,158
Current assets	25,383	25,383
Creditors due within one year	(3,558)	(3,558)
Total	<u>576,983</u>	<u>576,983</u>

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Fixed asset investments	602,469	602,469
Current assets	104,388	104,388
Creditors due within one year	(3,415)	(3,415)
Total	<u>703,442</u>	<u>703,442</u>

18. Related party transactions

There are no transactions with related parties that require disclosure.