

Charity Registration No. 1159344

THE E AND N WATSON CHARITABLE TRUST

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2020

THE E AND N WATSON CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Elizabeth Gwenllian Watson (died 5 August 2020) Charles Philip Lawrence Clayton Maxwell Brendan Jack Dominic Hugh Neville Ogden
Charity number	1159344
Principal address	Alexandra House St Johns Street Salisbury Wiltshire SP1 2SB
Independent examiner	James Fletcher FCA Fletcher & Partners Crown Chambers Bridge Street Salisbury SP1 2LZ
Solicitors	Wilson's Solicitors LLP Alexandra House St Johns Street Salisbury Wiltshire SP1 2SB
Investment advisors	Brewin Dolphin Limited 8 Waterloo Place London SW1Y 4BE

THE E AND N WATSON CHARITABLE TRUST

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THE E AND N WATSON CHARITABLE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 29 FEBRUARY 2020

The trustees present their report and accounts for the year ended 29 February 2020.

The E and N Watson Charitable Trust ("the charity") was established by Elizabeth Gwenllian Watson ('Mrs Watson') under a Settlement Deed dated 1 April 2014. The charity is unincorporated and all of the Trustees are individuals. Mrs Watson has the power to appoint Trustees during her lifetime and thereafter they may be appointed by a resolution of the Trustees. If for any reason Trustees cannot be appointed in this way, the statutory power (under the Trustee Act 1925) to appoint new or additional Trustees shall be exercisable. The Settlement Deed states that there shall be not less than three Trustees unless a Corporate Trustee is appointed. Mrs Watson died on 5 August 2020. The Trustees do not currently envisage any immediate changes to the Trusteeship. However, they have formulated a policy to ensure that any new Trustee is fully aware of the charity's aims and objectives.

The Trustees meet on a regular basis to decide the charitable grants to be made by the charity. Additional grants may be made between formal Trustees meetings if there is a specific need that is brought to the attention of the Trustees.

The records are maintained by an employee of Wilsons Solicitors LLP.

The charity is not part of a wider network of charitable organisations and there are no subsidiaries nor any other charities and organisations with which it co-operates in the pursuit of its charitable objectives.

The Trustees have considered the major risks to which the charity is exposed, and have formulated policies to mitigate those risks. The risks are perceived to be

1. Record Keeping

The Trusts' records are kept at Wilsons Solicitors LLP, where the computer systems upon which they rely are properly backed up. The Trustees consider that the use of Wilsons Solicitors LLP provides professional indemnity for the benefit of the charity and access to systems and skills which the charity could not otherwise afford to provide from its own resources.

2. Investments and income

The principle source of funds is from the investment portfolio held by the Trustees. Therefore the primary risk to the charity can be considered to arise from a lack of return from the investment portfolio. The Trustees have set out the parameters within which the investment advisors may act, in a written Policy Statement. The investment adviser is FSA authorised. The Trustees review the performance of the portfolio on a regular basis.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019).

Objectives and activities

The charity's funds are held to be applied in donations to charitable institutions at the Trustees' discretion. The Trustees may accumulate income for the first twenty-one years of the charity's existence; this is income due and/or received before 1 April 2035.

The charity does not engage in fundraising.

The Trustees make a number of charitable donations each year.

THE E AND N WATSON CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have regard to the public benefit guidance published by the Charity Commission.

Achievements and performance

During the year the charity made donations totalling £40,000.

Realised and unrealised losses on the charity's investments totalled £20,170.85 whilst income received and accrued on listed investments totalled £40,782.99. As at the balance sheet date the charity's accumulated funds amounted to £869,414.33.

Financial review

The Trustees have received income of £40,782.99 during the year. The income has been used to pay donations of £40,000 and support costs of £4,750. The shortfall was met from the expendable endowment fund.

The Endowment Fund was established in the period ended 2016 and in this period and others bears the costs of the investment managers and realised and unrealised gains and losses on the portfolio.

The Unrestricted Fund receives the income from investments and bears the costs of grants and charity operations.

The Trustees' policy is to make grants up to or equal to the investment income received, after deduction of management and administration costs. Additional grants are then considered and if appropriate paid taking into account realised and unrealised gains and losses on the portfolio. As a result £3,967.01 was transferred in the year from the Expendable Endowment Fund to the Unrestricted Fund. In the long term, the Trustees would expect investment gains to cover any shortfall between grants, costs and investment income and so are happy to make grants in excess of the net investment income received after costs. They are also mindful that the Endowment Fund is expendable and can be utilised to make grant donations.

The Trustees monitor the level of reserves during the course of the year by maintaining detailed book-keeping records and re-assessing the position as and when appropriate.

Covid-19 Pandemic

The Covid-19 pandemic emerged in January 2020 but did not have a material impact on these accounts. In the current financial year there was a global fall in world stockmarkets, although investments have started to regain their value. The UK Government and other Governments introduced measures to slow the spread of the virus, these have impacted on the global economy. The charity is a grant making trust, in the short term there may be a fall in investment income and investment valuations. The Trustees believe that the charity is financially strong and will take a long-term view regarding the level of future donations awarded.

Structure, governance and management

The trustees who served during the year were:

Elizabeth Gwenllian Watson

(Deceased 5 August 2020)

Charles Philip Lawrence Clayton

Maxwell Brendan Jack

Dominic Hugh Neville Ogden

THE E AND N WATSON CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

The trustees' report was approved by the Board of Trustees.

..... *MBJ*

Maxwell Brendan Jack

Trustee

Dated: *22/12/2020*

THE E AND N WATSON CHARITABLE TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE E AND N WATSON CHARITABLE TRUST

I report on the accounts of the charity for the year ended 29 February 2020, which are set out on pages 5 to 11.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared accounts in accordance with Accounting and reporting by 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 now been withdrawn.

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

In connection with my examination, no other matter except that referred to in the previous paragraph has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 130 of the 2011 Act; and
 - (ii) to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

James Fletcher FCA



Fletcher & Partners
Crown Chambers
Bridge Street
Salisbury
SP1 2LZ

Dated: 20 January 2021

THE E AND N WATSON CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 29 FEBRUARY 2020

	Notes	Unrestricted funds £	Expendable Endowment funds £	Total 2020 £	Total 2019 £
<u>Income from:</u>					
Investments	2	40,782.99	-	40,782.99	45,895.52
<u>Expenditure on:</u>					
Raising funds	3	-	16,763.40	16,763.40	16,167.82
Charitable activities	4	44,750.00	-	44,750.00	73,344.00
Total resources expended		44,750.00	16,763.40	61,513.40	89,511.82
Transfer from Expendable endowment		3,967.01	(3,967.01)	-	-
Net gains/(losses) on investments	8	-	(20,170.85)	(20,170.85)	(20,165.85)
Net movement in funds		-	(40,901.26)	(40,901.26)	(63,782.15)
Fund balances at 1 March 2019		-	910,315.59	910,315.59	974,097.74
Fund balances at 29 February 2020		-	869,414.33	869,414.33	910,315.59

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

All income and expenditure derive from continuing activities.

THE E AND N WATSON CHARITABLE TRUST

BALANCE SHEET

AS AT 29 FEBRUARY 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Investments	9		810,249.82		884,054.37
Current assets					
Debtors	10	4,521.63		5,257.22	
Cash at bank and in hand		57,790.46		37,384.00	
		<u>62,312.09</u>		<u>42,641.22</u>	
Creditors: amounts falling due within one year	11	<u>(3,147.58)</u>		<u>(16,380.00)</u>	
Net current assets			59,164.51		26,261.22
Total assets less current liabilities			<u>869,414.33</u>		<u>910,315.59</u>
Capital funds					
Endowment funds - general			869,414.33		910,315.59
Income funds					
Unrestricted funds			-		-
			<u>869,414.33</u>		<u>910,315.59</u>

The accounts were approved by the Trustees on 22/12/2020



.....
Maxwell Brendan Jack
Trustee

THE E AND N WATSON CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2020

1 Accounting policies

1.1 Accounting convention

The accounts 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 Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Endowment funds are held on a long term basis. The income from funds is available to be spent for unrestricted purposes. The capital of spendable endowment funds may be spent at the discretion of the Trustees.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Resources expended

Expenditure is accounted for on an accruals basis

(i) Charitable activities

Grants payable are recognised as expenditure when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity. Charitable activities include all expenditure associated with grant making and include governance costs.

(ii) Support costs

Support costs consist entirely of the governance costs which comprise of the independent examination, legal advice and compliance with statutory requirements.

(iii) Cost of raising funds

This expenditure is in respect of investment advisory fees charged during the year by the charity's investment advisors,

THE E AND N WATSON CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

1 Accounting policies

(Continued)

1.6 Fixed asset investments

Investments are included in the accounts at market value at the end of the accounting period. Realised and unrealised gains and losses are credited or debited to the statement of financial activities in the year in which they arise.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2 Investments

	2020	2019
	£	£
Income from listed investments	36,595.12	41,211.81
Interest receivable	282.52	40.71
Accrued income	3,905.35	4,643.00
	<u>40,782.99</u>	<u>45,895.52</u>

3 Raising funds

	2020	2019
	£	£
<u>Investment management</u>	<u>16,763.40</u>	<u>16,167.82</u>
	<u>16,763.40</u>	<u>16,167.82</u>

4 Charitable activities

	2020	2019
	£	£
Grant funding of activities (see note 5)	40,000.00	69,000.00
Share of governance costs (see note 6)	4,750.00	4,344.00
	<u>44,750.00</u>	<u>73,344.00</u>

THE E AND N WATSON CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

5 Grants payable

	2020 £	2019 £
Grants to institutions (6 grants):		
Community	-	5,000.00
Heritage / Culture	10,000.00	9,000.00
Overseas / Humanitarian	15,000.00	40,000.00
Elderly	-	-
Veterans	15,000.00	15,000.00
	<u>40,000.00</u>	<u>69,000.00</u>

6 Support costs

	Governance costs £	2020 £	2019 £
Legal fees	3,370.00	3,370.00	2,400.00
LEI fee	-	-	84.00
Fletcher & Partners	1,380.00	1,380.00	1,860.00
	<u>4,750.00</u>	<u>4,750.00</u>	<u>4,344.00</u>
Analysed between Charitable activities	<u>4,750.00</u>	<u>4,750.00</u>	<u>4,344.00</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

8 Net gains/(losses) on investments

	2020 £	2019 £
Revaluation of investments	(14,778.22)	(16,541.05)
Gain/(loss) on sale of investments	(5,392.63)	(3,624.80)
	<u>(20,170.85)</u>	<u>(20,165.85)</u>

THE E AND N WATSON CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

9 Fixed asset investments

Movement in fixed asset listed investments

	2020 £	2019 £
Market Value as at 1 March 2019	884,054.37	879,288.62
Acquisitions in year	152,827.37	110,760.53
Disposals in year at carrying value	(196,870.26)	(70,932.39)
Unrealised loss on revaluation	(25,563.48)	(16,541.05)
Decrease in investment cash	(4,198.18)	(18,521.34)
At 29 February 2020	<u>810,249.82</u>	<u>884,054.37</u>
Historic cost as at 29 February 2020	<u>767,237.91</u>	<u>840,739.08</u>
Listed investments	772,552.82	842,159.19
Cash deposits	37,697.00	41,895.18
	<u>810,249.82</u>	<u>884,054.37</u>

10 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Other debtors	<u>4,521.63</u>	<u>5,257.22</u>

11 Creditors: amounts falling due within one year

	2020 £	2019 £
Other creditors	<u>3,147.58</u>	<u>16,380.00</u>

THE E AND N WATSON CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

12 Prior year statement of financial activities

	Unrestricted funds	Expendable Endowment funds	Total 2019
	£	£	£
Income from:			
Investments	45,895.52	-	45,895.52
Expenditure:			
Raising Funds	-	16,167.82	16,167.82
Charitable activities	73,344.00	-	73,344.00
Total resources expended	73,344.00	16,167.82	89,511.82
Transfer from Expendable endowment	27,448.48	(27,448.48)	-
Net gains/(losses) on investments	-	(20,165.85)	(20,165.85)
Net movement in funds	-	(63,782.15)	(63,782.15)
Fund balances at 1 March 2018	-	974,097.74	974,097.74
Fund balances at 28 February 2019	-	910,315.59	910,315.59