

**THE WATSON FAMILY CHARITABLE TRUST**

**UNAUDITED**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

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**THE WATSON FAMILY CHARITABLE TRUST**

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**CONTENTS**

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	Page
<b>Reference and administrative details of the charitable incorporated organisation, its Trustees and advisers</b>	1
<b>Trustees' report</b>	2 - 4
<b>Independent examiner's report</b>	5
<b>Statement of financial activities</b>	6
<b>Balance sheet</b>	7
<b>Notes to the financial statements</b>	8 - 16

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THE WATSON FAMILY CHARITABLE TRUST

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE INCORPORATED ORGANISATION,  
ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2021

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

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## THE WATSON FAMILY CHARITABLE TRUST

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### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

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The Trustees present their annual report together with the financial statements of the charitable incorporated organisation for the year 1 April 2020 to 31 March 2021.

#### **Objectives and activities**

- **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.

- **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.

- **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.

- **Main activities undertaken to further the charity's purposes for the public benefit**

The CIO provides assistance by way of grants to a variety of individuals and organisations working both locally in the north east of England and overseas with a particular emphasis on supporting young people and helping them overcome disadvantage.

#### **Achievements and performance**

- **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 has improved with gains of £91,706 following the recovery in stock market conditions in the first quarter of the financial year as a result of the effects of the coronavirus pandemic. Against this, with investment income of £10,625, grants of £100,826 and governance and other costs of £4,384, the CIO incurred a deficit in the year of £94,585 before investment gains resulting in a loss of £3,509 after gains on investments. This is detailed in the statement of financial activities and accompanying notes.

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## THE WATSON FAMILY CHARITABLE TRUST

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### Achievements and performance (continued)

- **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 £100,826, and are detailed in note 5 to these financial statements.

- **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

- **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.

- **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.

- **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 effect 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 appointing experienced Trustees to the board who undertake proper due diligence in assessing applications.

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## THE WATSON FAMILY CHARITABLE TRUST

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### Structure, governance and management

##### • 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.

##### 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 year 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 and;
- 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 Trust Deed. 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 27 January 2022 and signed on their behalf by:

**Mr Ian Watson**  
Chairman

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## THE WATSON FAMILY CHARITABLE TRUST

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### INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 MARCH 2021

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#### 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 2021.

#### 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.

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.

27 January 2022

Detlev Anderson FCA

#### Ryecroft Glenton

Chartered Accountants

32 Portland Terrace

Jesmond

Newcastle upon Tyne, NE2 1QP

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**THE WATSON FAMILY CHARITABLE TRUST**

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**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2021**

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	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>				
Investments	2	10,625	10,625	11,124
		10,625	10,625	11,124
<b>Total income</b>				
<b>Expenditure on:</b>				
Investment management	3	1,714	1,714	1,767
Charitable activities:				
Grants paid in the year		100,826	100,826	76,020
Governance costs		2,040	2,040	3,120
Other		630	630	89
		105,210	105,210	80,996
<b>Total expenditure</b>				
<b>Net expenditure before net gains/(losses) on investments</b>				
		(94,585)	(94,585)	(69,872)
Net gains/(losses) on investments	9	91,076	91,076	(56,586)
		(3,509)	(3,509)	(126,458)
<b>Net movement in funds</b>				
<b>Reconciliation of funds:</b>				
Total funds brought forward		576,984	576,984	703,442
Net movement in funds		(3,509)	(3,509)	(126,458)
		573,475	573,475	576,984
<b>Total funds carried forward</b>				

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

The notes on pages 8 to 16 form part of these financial statements.



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THE WATSON FAMILY CHARITABLE TRUST

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BALANCE SHEET  
AS AT 31 MARCH 2021

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	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investments	9	555,133	555,158
		<u>555,133</u>	<u>555,158</u>
<b>Current assets</b>			
Cash at bank and in hand		20,939	25,384
		<u>20,939</u>	<u>25,384</u>
Creditors: amounts falling due within one year	10	(2,597)	(3,558)
		<u>18,342</u>	<u>21,826</u>
<b>Net current assets</b>			
		<u>18,342</u>	<u>21,826</u>
<b>Total assets less current liabilities</b>		<u>573,475</u>	<u>576,984</u>
<b>Total net assets</b>		<u>573,475</u>	<u>576,984</u>
<b>Charity funds</b>			
Unrestricted funds	11	573,475	576,984
		<u>573,475</u>	<u>576,984</u>
<b>Total funds</b>		<u>573,475</u>	<u>576,984</u>

The financial statements were approved and authorised for issue by the Trustees on 27 January 2022 and signed on their behalf by:

**Mr Ian Watson**  
Chairman

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## THE WATSON FAMILY CHARITABLE TRUST

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 1. Accounting policies

##### 1.1 General Information

The Charitable Incorporated Organisation (CIO) is registered with the Charity Commission for England and Wales, number 1159965.

The CIO is a grant-making charity.

##### 1.2 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 2019), 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.

##### 1.3 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.

##### 1.4 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.

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## THE WATSON FAMILY CHARITABLE TRUST

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 1. Accounting policies (continued)

##### 1.5 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 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.

##### 1.6 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.

##### 1.7 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.

##### 1.8 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.

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THE WATSON FAMILY CHARITABLE TRUST

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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2. Investment income

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Income from local listed investments	10,615	<b>10,615</b>
Interest receivable	10	<b>10</b>
<b>Total 2021</b>	<u>10,625</u>	<u><b>10,625</b></u>
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Income from local listed investments	10,890	10,890
Interest receivable	234	234
<i>Total 2020</i>	<u>11,124</u>	<u>11,124</u>

3. Investment management costs

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Investment management fees	1,714	<b>1,714</b>
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Investment management fees	1,767	1,767

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**THE WATSON FAMILY CHARITABLE TRUST**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**4. Grants to institutions**

	<b>Grants to Institutions 2021 £</b>	<b>Total funds 2021 £</b>
Grants, Direct costs	100,826	<b>100,826</b>
	<u>100,826</u>	<u>100,826</u>
	<i>Grants to Institutions 2020 £</i>	<i>Total funds 2020 £</i>
Grants, Direct costs	76,020	76,020
	<u>76,020</u>	<u>76,020</u>

The charitable incorporated organisation has made the following grants to institutions during the year:

	<b>2021 £</b>	<b>2020 £</b>
<b>Name of institution</b>		
Little Sisters of St. Francis	<b>28,213</b>	-
Jessica's Sarcoma Awareness	<b>25,000</b>	1,000
Simonside Primary School	<b>25,000</b>	-
Cash for Connectivity	<b>10,000</b>	-
Recruitment Junction	<b>6,000</b>	-
Community Foundation COVID 19	<b>5,000</b>	-
Archbishop of York Youth Trust	<b>138</b>	-
Whickham School and Sports College	-	50,000
St George's Church Jesmond - for the community of Jesmond	<b>1,475</b>	11,520
Alan Shearer Foundation	-	9,000
Percy Hedley Foundation	-	4,500
	<u><b>100,826</b></u>	<u>76,020</u>
	<u><b>100,826</b></u>	<u>76,020</u>

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**THE WATSON FAMILY CHARITABLE TRUST**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**5. Support costs**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Accountancy fees - governance	2,040	<b>2,040</b>
Sundry costs	78	<b>78</b>
Photography and PR costs	552	<b>552</b>
<b>Total 2021</b>	<b>2,670</b>	<b>2,670</b>

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

**6. Analysis of charitable activities**

	<b>Grant funding activities 2021 £</b>	<b>Support costs 2021 £</b>	<b>Total funds 2021 £</b>
Grant making	100,826	2,670	<b>103,496</b>
<b>Total 2021</b>	<b>100,826</b>	<b>2,670</b>	<b>103,496</b>

	<i>Grant funding activities 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Grant making	76,020	3,209	79,229
	<i>76,020</i>	<i>3,209</i>	<i>79,229</i>

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THE WATSON FAMILY CHARITABLE TRUST

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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7. Independent examiner's remuneration

	2021 £	2020 £
Fees payable to the charitable incorporated organisation's independent examiner for the preparation and independent examination of the charitable incorporated organisation's annual accounts, inclusive of VAT	2,040	2,120
Fees payable to the charitable incorporated organisation's independent examiner in respect of: Accountancy services, inclusive of VAT	-	1,000
	<u>          </u>	<u>          </u>

8. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year, no Trustee expenses have been incurred (2020 - £NIL).

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**THE WATSON FAMILY CHARITABLE TRUST**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**9. Fixed asset investments**

	Listed investments £	Cash held for re- investment £	Total £
<b>Cost or valuation</b>			
At 1 April 2020	518,851	36,307	555,158
Disposals	(55,572)	(35,529)	(91,101)
Revaluations	91,076	-	91,076
	554,355	778	555,133
At 31 March 2021	554,355	778	555,133
<b>Net book value</b>			
At 31 March 2021	554,355	778	555,133
<i>At 31 March 2020</i>	<i>518,851</i>	<i>36,307</i>	<i>555,158</i>
	<i>518,851</i>	<i>36,307</i>	<i>555,158</i>

**10. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Trade creditors	120	-
Accruals and deferred income	2,477	3,558
	2,597	3,558
	2,597	3,558



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**THE WATSON FAMILY CHARITABLE TRUST**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**11. Statement of funds**

**Statement of funds - current year**

	<b>Balance at 1 April 2020</b>	<b>Income</b>	<b>Expenditure</b>	<b>Gains/ (Losses)</b>	<b>Balance at 31 March 2021</b>
	£	£	£	£	£
<b>Unrestricted funds</b>					
General Funds	<b>576,984</b>	<b>10,625</b>	<b>(105,210)</b>	<b>91,076</b>	<b>573,475</b>
	<u>576,984</u>	<u>10,625</u>	<u>(105,210)</u>	<u>91,076</u>	<u>573,475</u>

**Statement of funds - prior year**

	<i>Balance at 1 April 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2020</i>
	£	£	£	£	£
<b>Unrestricted funds</b>					
General Funds	<i>703,442</i>	<i>11,124</i>	<i>(80,996)</i>	<i>(56,586)</i>	<i>576,984</i>
	<u>703,442</u>	<u>11,124</u>	<u>(80,996)</u>	<u>(56,586)</u>	<u>576,984</u>

**12. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2021</b>	<b>Total funds 2021</b>
	£	£
Fixed asset investments	555,133	<b>555,133</b>
Current assets	20,939	<b>20,939</b>
Creditors due within one year	(2,597)	<b>(2,597)</b>
<b>Total</b>	<u>573,475</u>	<u><b>573,475</b></u>

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THE WATSON FAMILY CHARITABLE TRUST

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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12. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

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

13. Related party transactions

There are no transactions with related parties that require disclosure.