



THE
WILLATS
TRUST

REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2023

Charity no: 202269

Governing document and constitution

The Charity was set up under an Indenture dated 13 November 1858 by Mr William Willats. Mr Willats' Corporate Trustee Ltd is the sole Trustee of Mr Willats' Charity. The Charity has the working title of 'The Willats Trust'. The individuals that served as Directors to the Corporate Trustee during the year are detailed below:

Directors of the Corporate Trustee

The Rev'd. R Driver (Appointed as Chair 22 December 2023)

Mr T Friend

The Rev'd. Dr M Ifode-Blease (Resigned 22 December 2023)

Mr P LeRoy (Resigned 6 December 2023)

Mr C Sheppard (Appointed 3 April 2023)

Mrs A Noyce (Appointed 5 September 2023)

Mr P Suller (Appointed 6 December 2023)

All appointments and resignations during the year or up to the time of the signing of these accounts have been noted.

Interim Director

Mrs A Anketell (Appointed 7 August 2023)

Finance Manager

Mrs M Tonner (Appointed 8 April 2024)

Property Manager

Mrs E L Palfreyman

Grants Administrator

The Revd. M Schoeman (Resigned 10 April 2024)

Administrator

Mrs S Heavens (Maternity cover provided from 10 January 2023 to 14 October 2023)

Team Administrator

Ms K Brown (Appointed 27 November 2023)

Principal office

Basement 19 Rivers Street
Bath BA1 0AQ

Website

www.willatstrust.org

Bankers

C Hoare & Co
37 Fleet Street
London EC4P 4DQ

Solicitors

Thrings
2 Queen Square
Bath BA1 2HQ

National Westminster Bank plc
24/25 Stall St
Bath BA1 1QS

Auditors

Saffery LLP
St Catherine's Court
Berkeley Place
Bristol BS8 1BQ

Investment managers

Cazenove Capital
1 London Wall Place
London
EC2Y 5AU

Mr Willats' Charity

TRUSTEES' REPORT

for the year ended 31 December 2023

OBJECTIVES AND ACTIVITIES

Mr Willats' Charity was established in 1858 by its Founder, William Willats, to support Christian workers to share the good news about Jesus Christ in some of most marginalised communities in the UK. The Charity achieves this by contributing towards the salary of lay pastoral workers ('Guides') in the form of grants. To fund the objectives of the Charity, the Founder created a sizable endowment by bequeathing a significant property portfolio to the Charity. This is managed by the Charity and the surpluses generated through investment income are used to fund the grants given to 'Guides'.

ORGANISATIONAL STRUCTURE

The Charity is governed by a sole 'Corporate Trustee' entitled Mr Willats' Corporate Trustee Limited. The Directors of the Corporate Trustee act as the Trustees of the Charity.

The Board of Directors ("the Board") has delegated the day-to-day running of the Charity to its Interim Director. The Board meets regularly to consider the business of the Charity including the consideration of applications for grants and to receive reports from the Guides, and the Interim Director. Following the resignation of the Clerk on 8 September 2022, the Board appointed a new Interim Director with effect from 7 August 2023.

APPOINTMENT OF DIRECTORS TO THE CORPORATE TRUSTEE

The Directors who have served during the year, and since the year end, are set out on page 1. Directors are appointed by the existing Board.

ACHIEVEMENTS AND PERFORMANCE

The day-to-day operations of the Charity

The Charity's Grant Making Activities

In 2023 we continued to work to encourage and resource evangelism in economically marginalised areas. During the year we funded an additional 19 Guides whose work and activities set out to nurture and grow people's journeys in Christian Faith. Much of the Guides' work involves reaching out to the unchurched especially young people by nurturing their spiritual interest and well-being.

The Charity's financial year runs from the 1 January to 31 December and the total of Grants awarded in the year was £478,000 (2022: £377,500). All guides funded were in ministries or areas where the Willats Trust felt they could support and help to sustain over a period of 3 years. The breakdown of these ministries can be seen in the Chart below and indicates that Community Outreach remains the main ministry where our Guides work.



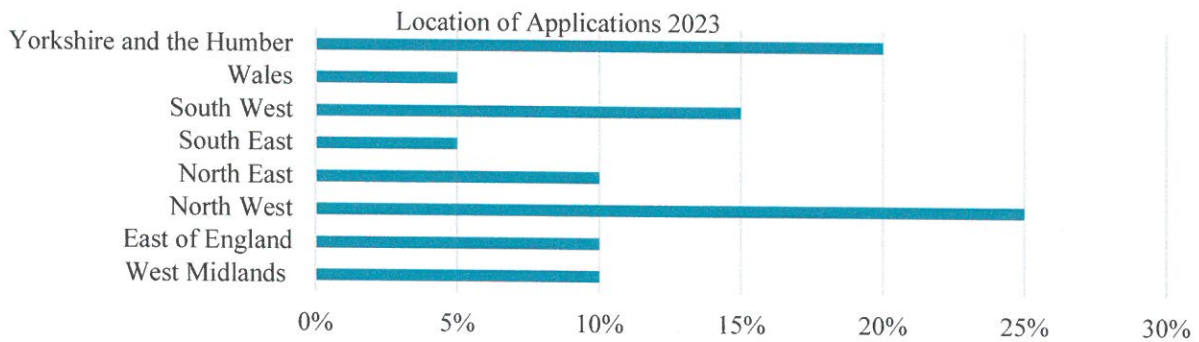
Mr Willats' Charity
 TRUSTEES' REPORT *(continued)*
 for the year ended 31 December 2023

ACHIEVEMENTS AND PERFORMANCE *(continued)*

The day-to-day operations of the Charity *(continued)*

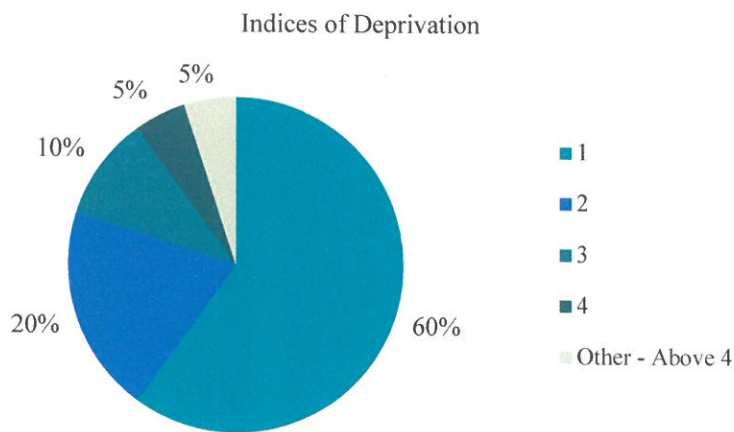
The Charity's Grant Making Activities *(continued)*

In terms of geographical distribution, the Charity's grant programme takes a nationwide approach covering England, Wales and Northern Ireland. It is therefore important that we make grants across these areas. The Chart below shows the percentage of Grants made in 2023 split by geographical areas.



We continue to find that much of the work meeting the greatest of need is within the most deprived, mainly urban areas of the UK.

In 2023, 95% of our Grants were made to Guides based in the Geographical areas in the top 5% Indices of multiple deprivation. Generally, applicants in the top 1% most deprived areas have the greatest chance of being awarded a grant and the chart below shows that 2023 followed that trend.



We will continue to review the geographical spread of our Grant making to ensure that we are receiving applications from all areas we cover and that our Grant making is targeted to need.

The principle of partnership is an important means of the effective spread of the Gospel. The Willats Trust see the partnerships we have with organisations, as key to ensuring the Charity makes the best and most effective use of its Grants. The Charity channels funding for Guides through these organisations who directly employ and support the Guides. This ensures that Guides have a local support and mentoring structure to sustain them. In 2023 82% of our Grants were awarded to Churches and 18% to other organisations such as Charities or Voluntary Groups.

Mr Willats' Charity

TRUSTEES' REPORT *(continued)*

for the year ended 31 December 2023

ACHIEVEMENTS AND PERFORMANCE *(continued)*

The day-to-day operations of the Charity *(continued)*

The Charity's Grant Making Activities *(continued)*

In addition to the 19 new Grants awarded in 2023, the Charity was already supporting 34 existing Guides. Once a grant has been approved, Guides report back to us on their progress annually for the duration of their Grant. These reports provide valuable information on issues our Guides are facing, and the progress of work supported by our Grants. Some common themes run through the feedback. During 2023 Guides funded by the Willats Trust experienced difficulties with capacity, the recruitment of Volunteers, and a constantly changing environment with regards to the organisations they were working for, and team and staff changes as well as having to change working environments/buildings etc. Guides also highlighted the shortage of leaders to run young people's activities and the challenges of ensuring that mission and discipleship remain central whilst meeting other socio-economic needs.

In terms of the people that Guides are working with and supporting on their journeys, they are finding that people are presenting with a diversity of needs both at church, at activities and on the streets. These needs include mental health, alcohol and drug dependency. Guides pointed to the need for more one-to-one support and alongside the needs mentioned above limited literacy skills and poor access to technology were highlighted.

The Charity's Properties

The Charity owns a number of substantial Georgian listed properties in Bath, a UNESCO World Heritage City. The properties continue to provide a healthy income for the Charity to support its Guides. Given the geographical location of the properties, they require considerate, careful and sympathetic planned maintenance and refurbishment. There remain some residential properties that are in need of refurbishment and modernisation before they will be in a position to be let at their full market rent. In 2023 work was completed on one of these properties to bring it back to lettable condition. The sale of one of our properties in St James Square proceeded to exchange of contracts in late December 2023 and completed post year-end in March 2024.

£260k was spent on property repairs compared to the budget of £526k in 2023. The underspend reflects timing and phasing of work both in terms of the under-commissioning of works in the earlier part of the year and then delays starting external work in the later part of the year due to weather conditions. During 2023 we commissioned a comprehensive review of our property portfolio and developed a 10-year planned preventative programme which will enable the Charity to deal with a backlog of repairs built-up during the pandemic and Covid safer working, and ensure that we are continuing to invest in our existing stock. Data from the review will inform future decisions on investment in the properties.

Ensuring Building Safety is a key consideration for the Charity. The safety of our customers in their homes continues to be of the utmost importance to us. We continue to comply with all relevant legislation relating to Building Safety. In 2024 we will source new software to better facilitate our compliance certification and reporting.

In 2023, residential rental income was up 9.45% against the previous year, indicating strong performance on lettings, rent collection and arrears. All available lets of the Charity's student properties were completed for the following academic year. During the year a watching brief was maintained on the Renters' Reform Bill which will have an impact on the Charity. Legal advice was taken in late 2023, and a number of actions identified which will help the Charity ensure that it is ready to implement changes. A review of tenure and resident mix has been undertaken to ensure that the Charity is receiving the best return and will continue to do so under any new legislation.

Mr Willats' Charity

TRUSTEES' REPORT (*continued*)

for the year ended 31 December 2023

FUTURE PLANS

Our plans for the next three years have been heavily influenced by our operating environment and we will be responding to this by focussing on four key areas that make up our strategic objectives. Our strategy sets out how we will meet the major challenges facing us.

The four Key areas are as follows:

Build Financial Resilience

- Review the Charity's Income and Investment Strategy to ensure we have sufficient resources to support our Grant giving ambition;
- Develop an Investment Strategy that defines targets for a diversified portfolio;
- Review and rationalise the property portfolio.

Establish a Newly refreshed Grant Strategy

- Clarify the Ground rules by which we must operate;
- Review and define what we want to achieve with our Grant making;
- Review funding approaches including how we collaborate with other organisations;
- Use our Grants Strategy to guide how the organisation works in terms of systems and processes.

Build a Strong Board

- Ensure the right mix of Board members;
- Review Governance Structures and develop an effective sub-committee structure.

Develop Organisational Strength

- Invest in staff and ensure they are supported and developed;
- Invest in systems processes and policies;
- Deliver Strong Operational performance and ensure that an appropriate level of reserves is maintained;
- Maintain high level of Health and Safety compliance, including for colleagues and tenants.

FINANCIAL REVIEW

The Charity's work is entirely reliant on income and investment returns from its endowment fund which is, predominantly, invested in residential properties in Bath.

Before accounting for inter-fund transfers and asset revaluations, the Charity made an unrestricted surplus of £215,032 (2022: £284,232) in the year. The Board agreed to transfer the sum of £26,296 (2022: £167,998) to the endowment fund to finance improvements to the properties held within the endowed portfolio. More information relating to these transfers can be found in note 10 of these accounts. In 2022 the unrestricted funds of the Charity were further diminished following a downward revaluation of £306,300 in relation to the office property held by the Charity within its fixed assets – no such adjustment was necessary in 2023. After accounting for transfers and the revaluation adjustment, an overall unrestricted surplus of £188,736 was recorded in 2023 (2022: deficit of £190,066). Board Directors are content with the results achieved by the Charity in 2023 as it exceeded the budgeted surplus anticipated at the start of the year.

The unrestricted funds brought forward at the start of the year were £651,861 (2022: £841,927); adding the surplus of £188,736 (2022: deficit of £190,066) for the year gives a total unrestricted fund value of £840,597 (2022: £651,861) carried forward at the year end.

Mr Willats' Charity

TRUSTEES' REPORT (*continued*)

for the year ended 31 December 2023

FINANCIAL REVIEW (*continued*)

The endowment funds brought forward at the start of the year were £36,924,275 (2022: £40,375,510). During the year the endowment fund made a small surplus of £1,026 (2022: deficit of £3,451,235). The deficit sustained last year arose as a result of the fall in investment properties held by the endowment fund following a whole property portfolio valuation performed by CSquared of 82 Walcot Street, Bath. CSquared confirmed that no further revaluation adjustments were required to the property values at the end of 2023, however, an adjustment has been made to the carrying values of one property to match with the value of the sale completed in March 2024. More information relating to the property revaluations can be found in note 4 of these accounts. The movement for the year was added to the brought forward funds to give a total endowment fund of £36,925,301 (2022: £36,924,275) carried forward at the year end.

The total reserves carried forward at the year-end amounted to £37,765,898 (2022: £37,576,136).

INVESTMENT POLICY AND PERFORMANCE

The investment powers of the Board are governed by the Trust Deed, as amended. The Charity holds a small stock market investment portfolio, and the Board seeks to obtain, through its investment manager, a balance in income return and capital growth from the Charity's quoted stocks and shares. During the year the stock portfolio was managed by Cazenove.

In light of benchmark indicators, the Board is satisfied with the performance of the stock portfolio during the year which resulted in the portfolio achieving realised and unrealised gains of £29,664 (2022: loss of £56,687). Dividend income was in line with expectations. See note 5 for more details.

The majority of the Charity's investment assets are held as freehold property. In accordance with accounting standards, the Board has agreed that the property portfolio will be professionally revalued once every 5 years and the property values carried forward would then be adjusted, as necessary, to reflect these valuations. The last fully revaluation was undertaken by CSquared, Bath, in July 2023, in accordance with RICS Valuation – Global Standards, effective 31 January 2022 and the value of the properties were adjusted following this revaluation. As a result of this revaluation, the value of the property investments held by the Charity fell by £3,557,500. The Board has agreed that between the full professional revaluation interim desk-top revaluations would be undertaken either in-house or through consultation with an appropriately qualified professional individual. As at 31 December 2023, the Trustees asked CSquared to perform the interim desk-top revaluation and, as a result, they confirmed that no further revaluation adjustments were required to the property values at the end of 2023, however, an adjustment has been made to the carrying values of one property to match that value with the value of a sale completed in March 2024. This adjustment was a downward adjustment of £50,000.

At the year end, the value of investment properties held by the Charity was £36,329,796 (2022: £36,353,500) and the Board is satisfied that this represents a true reflection of the current market value of its property investment portfolio at the year end. The Board is confident that freehold property is a valuable element of the endowment portfolio, moving forward, however, this will be reviewed as part of the Charity's strategic objectives for 2024. The Board continues to seek to maintain and improve the Charity's property portfolio through a planned program of repair and refurbishment to ensure that it maximises the income potential of the assets held.

RESERVES POLICY

The Board has agreed that they will aim to maintain free unrestricted funds at a level that equates to approximately three months of its expenditure. This decision was reached on the basis that this level of reserves will provide sufficient funds for the Charity to meet its obligations to staff, contractors and beneficiaries at any given point in time. The Board considers that this level of free reserves is sufficient given the regular and reliable income receivable from the rental of let properties.

Mr Willats' Charity

TRUSTEES' REPORT (*continued*)

for the year ended 31 December 2023

RESERVES POLICY (*continued*)

Based on the expenditure in 2023, costs for three months amount to approximately £293k. As previously stated, the balance held in unrestricted funds at the end of the year was £840,597. After deducting designated funds of £160,455 in relation to the fixed assets and designated fund £35,916 in relation to early ending grants (see note 11) the Charity holds free reserves of £644,226 which exceeds the target set out in its reserves policy. The Board is comfortable holding excess funds in the unrestricted reserves of the Charity as we are aware that some of the property maintenance planned for previous years is still outstanding and, as a result, the expenditure in future years may exceed income and this financing will be met by a draw down against the brought forward reserves.

PUBLIC BENEFIT

Under the terms of the governing document the charitable objectives of the Willats Trust are to support Christian Workers to share the good news about Jesus Christ in some of the most marginalised communities in the UK. The Board Directors confirm they have referred to the Charity Commissions guidance on public benefit when reviewing the Charity's aims and objectives, in setting grant making policy and also in planning how future activities will contribute to the delivery of the aims and objectives.

The funding of the work of the Guides enables people living in areas of deprivation to live out their faith, learning about the gospel and developing their knowledge and trust in Jesus. The Guides do this by spending a proportion of their time directly undertaking evangelism, missionary and outreach work. As well as this work Guides use their activity to give meaning and purpose to the lives of people in underserved areas, by providing pastoral care and comforting those in need.

GRANT MAKING POLICY

Whilst the expectation of the Charity is that the predominance of the Guide's work must be with their 'client group', the Board recognises that today the duties of a lay worker in an organisation will often include some administrative work. The Board expects, however, that if appointed as a Guide, this aspect of their funded work must be minimal.

All grants are awarded subject to finances permitting and the Board reserves the right to withdraw a grant at any time without notice. All new grants are awarded for a maximum period of three years. At the expiry of the three years, the organisation who has sponsored the application may not make a further application in respect of the same person, within 12 months of the previous grant expiring.

All grants are reviewed by the Board annually to monitor whether each Guide continues to fulfil the requirements of the Charity. Applications for grants will only be considered by the Trustees if they are in receipt of correctly completed application forms.

There has been a continued emphasis on making grants to organisations (who are registered charities) who minister to the "*lowest and poorest members of society*". The Board continues to keep under review the Charity's grant making activities and, in this regard, see additional comments under the heading 'Future Plans'.

GOVERNANCE

The Board has identified the need to appoint additional Directors to broaden the skills and expertise present on the Board. This process is already underway and three new Directors were appointed in 2023. During the year the Board undertook a skills audit to help identify gaps in their own knowledge. This will help the Board plan future learning and training opportunities for Directors, influence future Director recruitment and identify when professional advice is needed.

The Board, having regard to the *Charity Governance Code* and in particular Principle 6 of the *Code* (Equality, Diversity & Inclusion), also intend to look at how they can enhance their approach to supporting this Principle in its own practice and governance. This will be a key consideration in the appointment of new Directors.

Mr Willats' Charity

TRUSTEES' REPORT (*continued*)

for the year ended 31 December 2023

BOARD DIRECTORS' INDUCTION AND TRAINING

New Directors undergo an induction scheme to brief them on all the work of the Charity and their legal obligations under both charity and company law. Directors are encouraged to attend appropriate external training events where these facilitate the undertaking of their role. In addition, Directors are kept up to date with charity related matters through the forwarding of regular relevant publications, reports and advice from the Charity's staff and professional contractors.

RISK MANAGEMENT

The Board manages risk faced by The Willats Trust through our risk management framework, which is continually being reviewed and adapted to remain effective in the increasingly uncertain world around us. The Board regularly reviews principal risks to ensure they continue to represent the most significant risks to the Charity and ensure they are managed effectively.

Principal Risks

Risk	Mitigating Actions
Insufficient Income and Reserves for the Charity to achieve its strategic objectives	<ul style="list-style-type: none">• Review of current investment portfolio planned for 2024.• Investment policy developed.• Investment policy defines the right blend of investment.• Reserves policy developed.• Targets set for rent collection, voids and arrears.
The Quality of the Charity's property portfolio declines as a result of the increasing costs of maintaining it.	<ul style="list-style-type: none">• 10 year planned preventative programme (PPM) in place.• Year 1 of PPM delivered in 2024.• Properties requiring major repairs/ refurbishment identified and options appraisals carried out.
Failure to effectively manage the risks associated with ensuring the Charity's properties are compliant with Building Safety Regulations.	<ul style="list-style-type: none">• Contractors in place for compliance work.• Source and implement digital platform as compliance management tool.• Monitoring regime in place.

PAY POLICY FOR KEY MANAGEMENT STAFF

The Board considers that the operational leads - the Interim Director, the Property Manager, the Grants Administrator and the Finance Manager (post year-end) are the *Key Management Personnel* of the Charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis. Supplementary professional support is provided when required by contractors. The Board Directors give their time freely and no Board Director received remuneration in the year.

The pay for all staff is reviewed by the Board annually. The salaries of the employees may be increased in accordance with average salary increases nationally and those within the charity sector.

RELATED PARTIES

None of the Board Directors receive remuneration from their work with the Charity. The Charity does repay expenses incurred by the Directors during the fulfilment of their role as Directors. In addition, the Charity provides some Directors with iPads or laptops to enable them to access the shared server. Further details of transactions with related parties can be found in note 12.

Mr Willats' Charity

STATEMENT OF THE CORPORATE TRUSTEE'S RESPONSIBILITIES

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

The law applicable to charities in England and Wales requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Board is responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the Trust Deed. It is also responsible for safeguarding the assets of the Charity and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board on 18th June 2024.

Signed by order of the Board:



Rev'd R Driver
Chair of the Board

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MR WILLATS' CHARITY

OPINION

We have audited the financial statements of Mr Willats' Charity for the year ended 31 December 2023 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2023 and of its incoming resources and application of resources 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 OF 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 Trustees' 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MR WILLATS' CHARITY (CONTINUED)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF THE TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, 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 RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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 auditors' 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the Charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MR WILLATS' CHARITY
(CONTINUED)

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Strong (Senior Statutory Auditor)
For and on behalf of Saffery LLP
Chartered Accountants and Statutory Auditors
St Catherine's Court
Berkeley Place
Bristol
BS8 1BQ

Date: 8 July 2024

Saffery LLP is eligible to act as an auditor under the terms of Section 1212 of the Companies Act 2006.

Mr Willats' Charity
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2023

	Note	Unrestricted Funds £	Endowment Funds £	Total 2023 £	Total 2022 £
Income and endowments from:					
Investment property income		1,364,651	-	1,364,651	1,322,006
Other investment income		40,888	-	40,888	8,598
Total income		1,405,539	-	1,405,539	1,330,604
Expenditure on:					
<i>Cost of raising funds:</i>					
Let property expenditure	2	680,360	-	680,360	712,024
Investment management fees	2	-	4,934	4,934	5,046
<i>Expenditure on charitable activities:</i>					
Grants for parish Guides	1,2	510,147	-	510,147	334,348
Total expenditure	2	1,190,507	4,934	1,195,441	1,051,418
Unrealised gains on revaluation of fixed assets	3	-	-	-	(306,300)
Unrealised gains on revaluation of investment properties	4	-	(50,000)	(50,000)	(3,557,500)
Net gains/(losses) on stock market investments	5	-	29,664	29,664	(56,687)
Net income/(loss) on ordinary activities before transfers		215,032	(25,270)	189,762	(3,641,301)
Transfer of funds	10	(26,296)	26,296	-	-
Net income/(loss) on ordinary activities		188,736	1,026	189,762	(3,641,301)
<i>Reconciliation of funds</i>					
Funds brought forward		651,861	36,924,275	37,576,136	41,217,437
Funds carried forward	11	840,597	36,925,301	37,765,898	37,576,136

The Charity has no recognised gains or losses other than the results for the year as set out above. All of the activities of the Charity are classed as continuing.

See note 15 for fund accounting comparative figures.


The notes on pages 16 to 29 form part of these financial statements.

Mr Willats' Charity
BALANCE SHEET
as at 31 December 2023

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	3	160,455	169,446
Freehold investment property	4	36,329,796	36,353,500
Other investments	5	595,505	570,775
		<u>37,085,756</u>	<u>37,093,721</u>
Current assets			
Debtors	6	141,571	121,973
Cash at bank		1,510,948	1,209,657
		<u>1,652,519</u>	<u>1,331,630</u>
Creditors: amounts falling due within one year	7	(668,335)	(703,256)
		<u>984,184</u>	<u>628,374</u>
Net current assets			
Creditors: amounts falling due after more than one year	8	(304,042)	(145,959)
		<u>37,765,898</u>	<u>37,576,136</u>
Total net assets			
Funds:			
Endowment funds			
		36,925,301	36,924,275
Unrestricted funds			
- General		644,226	651,861
- Designated: fixed assets		160,455	-
- Designated: early-end grants		35,916	-
		<u>840,607</u>	<u>651,861</u>
	11	<u>37,765,898</u>	<u>37,576,136</u>

The notes on pages 16 to 29 form part of these financial statements.

The financial statements on pages 13 to 29 were approved and authorised for issue by the Board of Trustees on 18th June 2024 and signed on its behalf by:


Rev'd R Driver
Chair of the Board

Mr Willats' Charity

CASH FLOW

as at 31 December 2023

	Notes	2023 £	2022 £
Net cash inflow from operating activities	16	290,221	281,759
Cash flows from investing activities:			
Investment income received		40,888	8,597
Cash flows from financing activities:			
Expenditure on investment properties	4	(26,296)	-
Expenditure on tangible fixed assets	3	(3,522)	(4,214)
Loss on disposal of fixed assets	3	-	2,993
Change in cash and cash equivalents in the year		<u>301,291</u>	<u>289,135</u>
Cash and cash equivalents brought forward		1,209,657	920,522
Cash and cash equivalents carried forward		<u><u>1,510,948</u></u>	<u><u>1,209,657</u></u>

The notes on pages 16 to 29 form part of these financial statements

Mr Willats' Charity

ACCOUNTING POLICIES

for the year ended 31 December 2023

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified for investment assets (see below) and in accordance with the Charities Act 2011, the Financial Reporting Standard 102 (FRS102) and the requirements of the Charities Statement of Recommended Practice (FRS102) based thereon.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

The Charity is a public benefit entity as defined under FRS102. There are no material uncertainties affecting the ability of the Charity to continue as a going concern.

Fund structure

The Charity has a permanent endowment that was established by Mr Willats when he created the Charity through the gifting of a significant number of properties to the Charity. The endowment funds are invested in perpetuity and the majority of those funds remain invested in properties that formed part of the original portfolio gifted by Mr Willats. The income arising on the endowment fund can be used for the general activities of the Charity and are, therefore, unrestricted funds.

Unrestricted income funds comprise those funds which the Charity is free to use for any purpose in furtherance of its charitable objects. During the year, the Board Directors created two new designated funds – one which represents the value of the fixed asset funds as these funds do not form part of the free reserves of the Charity and one which represents the value of grants previously awarded but ended early to enable these funds to be earmarked and added as additional grant funding available for distribution in subsequent years, over and above budgeted grant expenditure.

Income

All income is recognised once the Charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of the income receivable can be measured reliably.

Rental income is recognised in the month that it falls due. Unpaid rent is accounted for in debtors and any rents received in advance are accounted for as deferred income.

Dividend income is recognised when it has been received by the Charity's fund manager.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. All expenses are either apportioned or directly allocated to the applicable expenditure headings. For more information on this allocation refer to 'allocation of support costs' within the accounting policies.

Grants for parish Guides are payments made to third parties in the furtherance of the charitable objects of the Charity. The majority of the grants awarded are multi-year grants and these are recognised in full when the commitment is initially made. Although there are certain conditions that could arise which would forfeit a beneficiary's right to future grants, habitually, most beneficiaries meet all required criteria. For this reason, it was agreed that the Charity would recognise future grant commitments.

Mr Willats' Charity

ACCOUNTING POLICIES (*continued*)
for the year ended 31 December 2023

Financial instruments

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transactional price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payments, discounted at a market rate of interest if the impact is material.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short-term deposits with a maturity date of 100 days or less.

Allocation of support costs

Expenditure categorised as support costs are those costs that are not directly attributable to the applicable expenditure headings. They include the following costs:

- Audit and accountancy
- Staff costs
- Interim Director

All of these costs have been apportioned to the applicable expenditure headings based on an analysis of time spent by the individuals and the professional advisors in relation to those areas of work during the year.

Other costs relating to the running of the office and governance are categorised as administration costs and these are also apportioned to the applicable expenditure headings based on an overall assessment of the total time spent in relation to those areas of work by the key management personnel.

Full details of the allocation of costs can be found in Note 2.

Costs of raising funds

The costs of raising funds consist of let property repairs and maintenance and professional fees in respect of the properties. It also includes investment management fees in respect of the investments held.

Pension costs

The Charity complies with the Government's requirements in relation to auto-enrolment and contributes to a fund that meets all necessary criteria. During the year the Charity made contributions to this defined contribution money purchase scheme. The assets of the scheme were held separately from those of the Charity in independently administered funds. The pension charge in the accounts represents employer's contributions payable by the Charity to this pension fund amount to £2,537 (2022: £2,279). There was no outstanding contribution due at the year-end (2022: 371) in relation to this pension fund.

The Charity also makes contributions to private pension funds for certain employees. The pension charge within the accounts represents employer's contributions payable to these pension funds amounted to £928 (2022: £1,181). The total of the employee's and employer's pension liability in relation to this pension fund amounted to £3,557 (2022: £10,454) at the year end.

Mr Willats' Charity

ACCOUNTING POLICIES (*continued*)

for the year ended 31 December 2023

Tangible fixed assets

Freehold property is recorded at market value and regularly revalued for that purpose.

Other fixed assets are initially recorded at cost and written off over their estimated useful life. The depreciation rates applied were as follows:

- Office equipment – 20% straight line
- Furniture and fittings – 20% straight line
- Website – 25% straight line

Capital purchases in excess of £500 are treated as fixed assets.

Critical accounting judgements and key sources of estimation uncertainty

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Board to have most significant effect on amounts recognised in the financial statements:

Investment property valuations

The Charity has a large property portfolio which is held for the purposes of rental income and, as such, is classified as investment properties. The fair value is assessed annually by the Board, further details on how the fair value is assessed is noted in note 4 of these accounts, 'Freehold Investment Properties'.

Freehold property is not depreciated because the Board have adopted a revaluation policy in relation to this asset. The property will be professionally revalued every 5 years and the value of the property will be adjusted as necessary following this revaluation. A full professional revaluation of the properties held by the Charity was conducted in July 2023. This was conducted by CSquared, Bath in accordance with RICS Valuation – Global Standards, effective 31 January 2022. The Trustees have agreed that between professional revaluations, interim desk-top revaluations would be undertaken either in-house or through consultation with an appropriately qualified professional individual. If there is some indication that impairment has occurred, the carrying value of the property would be reduced in accordance with that review. CSquared confirmed that on the assumption that there had been no significant refurbishments or impairments to the properties their value, as at the 31 December 2023, would remain the same as at the end of the previous year. The only revaluation adjustment relating to the investment portfolio processed in 2023 related to a property that the Charity agreed to sell during the year. Contracts for the sale of this property were exchanged in 2023 and the sale was completed in 2024. A downward revaluation adjustment of £50,000 was processed to reflect the known sale proceeds.

Investment assets

Properties:

The Charity's investment properties are carried forward at market value, as noted in the previous section. Any cost of work carried out on modernisation and improvements between valuations is capitalised at cost.

Other investments:

These are shown in the balance sheet at middle market value.

Realised and unrealised gains and losses

Gains and losses on the sale of property and investments in excess of the brought forward valuation are treated as realised gains or losses and are credited or debited to the Statement of Financial Activities.

Unrealised gains or losses arising on the revaluation of properties and investments are credited or debited to the Statement of Financial Activities.

Mr Willats' Charity
 NOTES TO THE ACCOUNTS
 for the year ended 31 December 2023

1 Grants for parish Guides	2023 £	2022 £
Net grant cost of grants awarded in the year	442,084	250,000
Cost allocation		
Salary costs: Clerk	8,714	17,552
Salary costs: other staff	25,355	21,453
Audit, Accountancy & valuation fees	10,998	9,725
Administration costs	22,996	35,618
	<hr/>	<hr/>
Total costs as stated in the SOFA (see note 2)	510,147	334,348
	<hr/> <hr/>	<hr/> <hr/>
Reconciliation of grant commitments		
New grants awarded for parish Guides in the year	478,000	377,500
Repayment of previously awarded grants to Guides (see note 11)	(35,916)	(127,500)
	<hr/>	<hr/>
	442,084	250,000
Commitment brought forward at the start of the year	457,792	497,083
Payments made to Guides during the year	(302,167)	(289,291)
	<hr/>	<hr/>
Commitments carried forward at the end of the year	597,709	457,792
	<hr/> <hr/>	<hr/> <hr/>
Split of commitments carried forward:		
Grants for parish Guides due within one year (see note 7)	293,667	311,833
Grants for parish Guides due in greater than one year (see note 8)	304,042	145,959
	<hr/>	<hr/>
	597,709	457,792
	<hr/> <hr/>	<hr/> <hr/>

All grants were paid to institutions who act as intermediary grant recipients on the basis that the grants paid were to support the employment costs of specific individuals acting as Guides whilst fulfilling their ministry.

Mr Willats' Charity
NOTES TO THE ACCOUNTS *(continued)*
for the year ended 31 December 2023

2 Total expenditure

2023

	Salary Costs: Interim Director £	Salary Costs: Other Staff £	Audit & Accounts Services £	Admin Costs £	Other Direct Costs £	Total £
Let property expenditure	8,714	47,089	20,424	42,708	561,425	680,360
Investment management fees	-	-	-	-	4,934	4,934
Grants for parish guides (see note 1)	8,714	25,355	10,998	22,996	442,084	510,147
	<u>17,428</u>	<u>72,444</u>	<u>31,422</u>	<u>65,704</u>	<u>1,008,443</u>	<u>1,195,441</u>

2022

	Salary Costs: Clerk £	Salary Costs: Other Staff £	Audit & Accounts Services £	Admin Costs £	Other Direct Costs £	Total £
Let property expenditure	17,552	39,841	18,061	66,148	570,422	712,024
Investment management fees	-	-	-	-	5,046	5,046
Grants for parish guides (see note 1)	17,552	21,453	9,725	35,618	250,000	334,348
	<u>35,104</u>	<u>61,294</u>	<u>27,786</u>	<u>101,766</u>	<u>825,468</u>	<u>1,051,418</u>

In analysing the total expenditure by the Charity some costs have been apportioned. The apportionments used are detailed below:

	Interim Director/Clerk %	Staff Costs %	Audit & Accountancy %	Admin Costs %
2023				
Let property	50	65	65	65
Grants for parish Guides	50	35	35	35
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
2022				
Let property	50	65	65	60
Grants for parish Guides	50	35	35	40
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Mr Willats' Charity
 NOTES TO THE ACCOUNTS *(continued)*
 for the year ended 31 December 2023

2 Total expenditure (continued)

All remaining costs are shown under the heading 'other direct costs' and are charged directly to the three cost headings as appropriate.

Included within the net grant expenditure of £442,084 (2022: £250,000) are individual grants payable to Guides. All grants are given for the same charitable purpose which is to assist parishes in the churches of England, Wales and Ireland by contributing towards the salaries/expenses of lay pastoral workers.

Total governance costs were £55,622 (2022: £51,328). These costs have been split proportionately between let property costs and grants for parish Guides.

Auditor's remuneration

Included within audit and accountancy services expenditure above, amounts payable to the Charity's auditor are detailed as follows: audit fees for the current year of £15,060 (2022: £15,236); no other fees (2022: £nil) were paid to the auditors during the year.

3 Tangible fixed assets

2023

	Freehold Property £	Office Equipment £	Furniture & Fittings £	Website £	Total £
Cost					
At the start of the year	155,000	43,902	276,813	22,948	498,663
Additions	-	2,983	539	-	3,522
Disposals	-	(4,442)	-	-	(4,442)
As the end of the year	155,000	42,443	277,352	22,948	497,743
Depreciation					
At the start of the year	-	39,567	266,702	22,948	329,217
Charge for the year	-	2,403	10,110	-	12,513
Write back on disposal	-	(4,442)	-	-	(4,442)
As the end of the year	-	37,528	276,812	22,948	337,288
Net book value					
As the end of the year	155,000	4,915	540	-	160,455

Mr Willats' Charity

NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2023

3 Tangible fixed assets (continued)

2022

	Freehold Property £	Office Equipment £	Furniture & Fittings £	Website £	Total £
Cost					
At the start of the year	942,600	43,537	276,813	22,948	1,285,898
Additions	-	4,214	-	-	4,214
Disposals	-	(3,849)	-	-	(3,849)
Transfer to investment properties	(481,300)	-	-	-	(481,300)
Revaluation	(306,300)	-	-	-	(306,300)
As the end of the year	155,000	43,902	276,813	22,948	498,663
Depreciation					
At the start of the year	-	36,206	256,593	17,211	310,010
Charge for the year	-	4,217	10,109	5,737	20,063
Write back on disposal	-	(856)	-	-	(856)
As the end of the year	-	39,567	266,702	22,948	329,217
Net book value					
As the end of the year	155,000	4,335	10,111	-	169,446

During 2022 the Board decided to rent out one of their properties that had previously been used by the charity. The brought forward market value of this space had been estimated as £481,300 so this value was transferred out of the freehold property and added to investment properties within the fixed assets, reducing the total value of office space being used by the Charity to £461,300, before recognising the revaluation.

The Charity's investment properties are held at market value. The year-end valuations have been arrived at on the basis of a valuation undertaken by CSquared in July 2023. The valuation was made on an open market basis by reference to market evidence of transaction prices for similar properties, and was carried out in line with the Charity's 5 year property revaluation policy.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the carrying amounts would have been approximately £395,000 (2022 - £395,000).

Mr Willats' Charity

NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2023

4 Freehold investment properties

2023

	Commercial £	Residential £	Total £
Valuation at the start of the year	4,603,500	31,750,000	36,353,500
Improvements at cost during year	-	26,296	26,296
Revaluation of property during year	-	(50,000)	(50,000)
	<hr/>	<hr/>	<hr/>
Valuation at the end of the year	4,603,500	31,726,296	36,329,796
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

2022

	Commercial £	Residential £	Total £
Valuation at the start of the year	3,760,000	35,669,700	39,429,700
Improvements at cost during year	-	-	-
Transfer from tangible fixed assets	-	481,300	481,300
Revaluation of property during year	843,500	(4,401,000)	(3,557,500)
	<hr/>	<hr/>	<hr/>
Valuation at the end of the year	4,603,500	31,750,000	36,353,500
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

During 2022 the Board decided to let one of their properties that had previously been used by the Charity. The brought forward market value of this property had been estimated as £481,300 so this value has been transferred out of the freehold property fixed assets and added to investment properties, reducing the total value of office space now being used by the Charity to £461,300, before recognising the revaluation adjustment.

The Charity's investment properties are held at market value. The year-end valuations have been arrived at on the basis of a valuation undertaken by CSquared in July 2023. The valuation was made on an open market basis by reference to market evidence of transaction prices for similar properties. In line with the Charity's 5 year property revaluation policy, the Trustees asked CSquared to provide them with an informal revaluation of the investment properties at the end of the year which confirmed that there was no significant change in the carrying values of the properties. The only revaluation adjustment relating to the investment portfolio processed in 2023 related to a property that the Charity agreed to sell during the year. Contracts for the sale of this property were exchanged in 2023 and the sale was completed in 2024. A downward revaluation adjustment of £50,000 was processed to reflect the known sale proceeds.

The Board estimates that the market value of the freehold investment properties at 31 December 2023 is £36,329,796 (2022: £36,353,500).

Mr Willats' Charity
NOTES TO THE ACCOUNTS *(continued)*
for the year ended 31 December 2023

5 Other investments	2023	2022
	£	£
Market value at the start of the year	570,775	632,508
Portfolio fees	(4,934)	(5,046)
Net gain/(loss)	29,664	(56,687)
	<hr/>	<hr/>
Market value at the end of the year	595,505	570,775
	<hr/>	<hr/>
Historical cost at the end of the year	532,592	494,356
	<hr/>	<hr/>
The investments are held as follows:	2023	2022
	£	£
Equities and convertible stocks	420,225	416,248
Gilts and other fixed interest stocks	151,235	132,349
Cash and cash equivalents	24,045	22,178
	<hr/>	<hr/>
	595,505	570,775
	<hr/>	<hr/>
Analysis by geographical sector	2023	2022
	£	£
Investment assets in the UK	103,701	105,806
Investment assets outside of the UK	491,804	464,969
	<hr/>	<hr/>
	595,505	570,775
	<hr/>	<hr/>
6 Debtors	2023	2022
	£	£
Rents receivable	30,916	20,067
Other debtors	1,273	1,737
Prepayments	109,382	100,169
	<hr/>	<hr/>
	141,571	121,973
	<hr/>	<hr/>

Mr Willats' Charity

NOTES TO THE ACCOUNTS *(continued)*
for the year ended 31 December 2023

7	Creditors: amounts falling due within one year	2023	2022
		£	£
	Rents invoiced in advance	76,985	40,720
	Rents received in advance	4,160	7,890
	Trade creditors	134,210	133,618
	Tax and social security	2,313	68
	Accruals	17,261	64,952
	Other creditors	139,739	144,175
	Grants due to Parish Guides	293,667	311,833
		<hr/>	<hr/>
		668,335	703,256
		<hr/>	<hr/>
8	Creditors: amounts falling due after more than one year	2023	2022
		£	£
	Grants due to Parish Guides	304,042	145,959
		<hr/>	<hr/>
9	Staff costs	2023	2022
		£	£
	Salaries	79,783	74,290
	Compensation for loss of office	-	10,000
	Employer's NI	2,325	3,222
	Pension contributions	3,464	3,657
		<hr/>	<hr/>
		85,572	91,169
		<hr/>	<hr/>
	Average weekly number of employees during the year, calculated on an average headcount basis	3	3
		<hr/>	<hr/>

No individual employed by the charity received remuneration in excess of £60,000 during the current or previous year.

The Key Management personnel of the Charity, as previously stated in the Trustees' Report, comprise of the Directors of the Corporate Trustee, the Interim Director (appointed August 2023), the Property Manager and the Grants Administrator. The total remuneration paid by the Charity to the Key Management personnel was £73,750 (2022: £91,169).

Mr Willats' Charity
NOTES TO THE ACCOUNTS (continued)
for the year ended 31 December 2023

10 Transfers

The Charity holds significant endowment funds, the majority of which are invested in property. The Board believes that in order to safeguard the asset value and future income streams of the property portfolio it is necessary to maintain and improve the endowment properties. All endowment property improvements are added to the brought forward value of the property portfolio. The endowment funds do not receive any income and, therefore, only hold cash reserves if endowment assets have been sold, as such, the endowment fund does not usually hold sufficient cash reserves to finance the necessary property improvements. Historically, where the endowment funds have not been able to finance the full cost of property improvements, the shortfall is met by a fund transfer from the unrestricted funds. This has the immediate effect of reducing the unrestricted funds' reserves but the Board believes that the preservation of the property portfolio has resulted in higher future income generation for that fund.

In 2019 the total value of improvements to the property portfolio was £481,135. These costs were partly financed through the unspent cash reserves held by the endowment fund and partly through cash held in the unrestricted fund. At that point in time, the Board considered that due to insufficient free reserves within the unrestricted fund, the Charity was not in a position to transfer funds from unrestricted funds to endowment funds. Instead, it was agreed that the unrestricted funds would lend the cash shortfall to the endowment funds until such time as the endowment fund was in a position to repay the loan or the unrestricted funds were in a position to write off the loan. In 2022, the Trustees agreed that the Charity held sufficient free reserves within unrestricted funds to write off this loan.

In 2023 the Charity made improvements to the endowment properties amounting to £26,296. The endowment funds did not hold any cash reserves in that year and the Board agreed to transfer this sum from unrestricted funds to endowment funds.

The movements relating to the inter-fund loan are detailed below:

	2023	2022
	£	£
Transfer of unrestricted funds to endowment funds to write off the interfund loan	-	167,998
Transfer of unrestricted funds to endowment funds in relation to improvements to properties held by the endowment funds	26,296	-

Mr Willats' Charity

NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2023

11 Analysis of net assets between funds

2023

	Freehold Investment Property £	Other Investments £	Fixed Assets £	Net Assets/ (Liabilities) £	Total £
Endowment funds	36,329,796	595,505	-	-	36,925,301
Unrestricted funds					
- General	-	-	-	644,226	644,226
- Designated: fixed assets	-	-	160,455	-	160,455
- Designated: early-end grants	-	-	-	35,916	35,916
	<u>36,329,796</u>	<u>595,505</u>	<u>160,455</u>	<u>680,142</u>	<u>37,765,898</u>

2022

	Freehold Investment Property £	Other Investments £	Fixed Assets £	Net Assets/ (Liabilities) £	Total £
Endowment funds	36,353,500	570,775	-	-	36,924,275
Unrestricted funds	-	-	169,446	482,415	651,861
	<u>36,353,500</u>	<u>570,775</u>	<u>169,446</u>	<u>482,415</u>	<u>37,576,136</u>

During the year the Board agreed to create a designated fund to represent grants previously awarded but written back in the year due to the early ending of those grants. The purpose of this fund is to ring-fence funds held in relation to the early ending of awarded grants and for those funds to be awarded as new grants, over and above the current year's budget grant award, in subsequent years. The Board also created a designated fund to reflect the value of the fixed assets, as these funds do not form part of the free reserves of the Charity.

12 Related party transactions and Board Directors' expenses and remuneration

One Board member is also a Trustee of St John's Charity and during the year the Charity paid £1,444 to St John's Charity for room hire and refreshments. No other related party transactions were entered into during the current or previous year.

During the year, no Board Director received any remuneration (2022: £nil) but expenses amounting to £3,285 (2022: £760) were claimed by the Trustees in relation to travel and accommodation costs.

13 Capital commitments

At the year end the Charity had committed to spending in relation to improvements on 34 Park Street, being one of the properties held within the endowment property investment portfolio. The value of this commitment as at the year end was £13,148 (2022: £nil).

Mr Willats' Charity
NOTES TO THE ACCOUNTS *(continued)*
for the year ended 31 December 2023

14 Post balance sheet events

At the year end the Charity had exchanged contracts to sell one of the properties held within its property portfolio, 5 St James' Square. This sale was completed in 2024. The carrying value of the property was previously held at £2,650,000 but the sale price on completion was £2,600,000 so a downward adjustment of £50,000 was processed within the accounts in 2023 to reflect the agreed selling price of the property. The net proceeds, after costs, received by the Charity in March 2024 were £2,543,890.

15 Fund accounting comparative figures

2022

	Unrestricted Funds £	Endowment Funds £	Total 2022 £
Income and endowments from:			
Investment property income	1,322,006	-	1,322,006
Other investment income	8,598	-	8,598
	-----	-----	-----
Total income	1,330,604	-	1,330,604
	-----	-----	-----
Expenditure on:			
<i>Cost of raising funds:</i>			
Let property expenditure	712,024	-	712,024
Investment management fees	-	5,046	5,046
	-----	-----	-----
<i>Expenditure on charitable activities:</i>			
Grants for parish Guides	334,348	-	334,348
	-----	-----	-----
Total expenditure	1,046,372	5,046	1,051,418
	-----	-----	-----
Unrealised gains on revaluation of fixed assets	(306,300)	-	(306,300)
Unrealised gains on revaluation of investment properties	-	(3,557,500)	(3,557,500)
Net gains on stock market investments	-	(56,687)	(56,687)
	-----	-----	-----
Net income on ordinary activities	(22,068)	(3,619,233)	(3,641,301)
Transfer of funds	(167,998)	167,998	-
	-----	-----	-----
Net income/(loss) on ordinary activities	(190,066)	(3,451,235)	(3,641,301)
<i>Reconciliation of funds</i>			
Funds brought forward	841,927	40,375,510	41,217,437
	-----	-----	-----
Funds carried forward	651,861	36,924,275	37,576,136
	=====	=====	=====

Mr Willats' Charity

NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2023

16 Reconciliation of net movements in funds to net cash generated from operating activities

	2023	2022
	£	£
Continuing activities		
Net movement in funds	189,762	(3,641,301)
Deduct investment income	(40,888)	(8,597)
Add back depreciation of tangible fixed assets	12,513	20,063
(Deduct gains)/add back losses on investments	(29,664)	56,687
Add back investment management fees	4,934	5,046
Deduct increase in debtors	(19,598)	(15,406)
Add back increase in creditors	123,162	1,467
Unrealised loss/(gain) on revaluations of investment properties	50,000	3,557,500
Unrealised loss/(gain) on revaluation of property held in fixed assets	-	306,300
Net cash inflow from operating activities	<u>290,221</u>	<u>281,759</u>