



THE
WILLATS
TRUST

REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2024

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 Reverend Roger Driver	(Board Chair and Chair of Grants Committee)
Colin Sheppard	(Chair of Property Committee)
Paul Suller	(Chair of Finance and Investment Committee)
Tim Friend	
Amanda Noyce	

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

CEO

Paul Taylor

Interim Director

Anne Anketell (Contract ended 31 August 2024)

Finance Manager

Michele Tonner

Property Manager

Erica Palfreyman

Grants and Project Manager

Kirsty Brown

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 2024

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 the most marginalised communities in England, Wales and Ireland. The Charity principally 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 CEO. 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 CEO, who replaced the Interim Director with effect from 2 September 2024.

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.

New Directors are given an induction covering governance, the charitable objectives, strategy, plans, budgets and activities. The CEO shares ongoing regulatory information with the Board and other governance matters.

ACHIEVEMENTS AND PERFORMANCE

2024 was a transformative year for the Charity. In 2023, four key strategic priorities were identified, and we are pleased to report significant progress in each area.

Strengthening Organisational Leadership

A significant milestone in our organisational development was the transition from an Interim Director to a new permanent CEO. As an interim, we are grateful for the contributions made by Anne Anketell during the interim period. Following an extensive search conducted with an external recruitment firm, we welcomed Paul Taylor as our new CEO in September 2024. Paul brings a profound faith background, strong relationships across UK and international church and para-church organisations, as well as over 30 years of senior strategic business leadership experience.

The Directors have collaborated effectively, ensuring the continuity of the previous development efforts of the Charity by renewing and re-envisioning both the organisation and its work. Rev. Roger Driver has transitioned from Interim Chair to Permanent Chair. In addition to these leadership appointments, we have implemented new processes and systems to enhance property management and ensure compliance with our landlord obligations.

Together with the Directors, Paul's vision and leadership is proving instrumental in re-imagining Mr. Willats' original mission from 1858 for the modern era and optimising returns from our endowment to better fund our charitable purpose.

Financial oversight now benefits from the recruitment of a permanent experienced finance manager (Michele Tonner) who is revamping our systems and processes and has improved our management information.

Grants are now managed by Kirsty Brown, who is also looking at new processes to systemise our grant evaluation, make

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TRUSTEES' REPORT (*continued*)
for the year ended 31 December 2024

applications simpler for Guides, and provide more meaningful impact reports.

Erica Palfreyman oversees the operation of our property portfolio day-to-day, including tenant management, contractor management, landlord compliance and building works.

Enhancing Financial Resilience

Our mission is to fund the expansion of the gospel in the most deprived communities of England, Wales, and Ireland. Historically, our grant-making has been financed through rental yields on an endowed property portfolio, primarily Georgian buildings in Bath. However, after careful financial analysis in late 2024, the Directors concluded that a transition to financial market investments would significantly increase our future grant-making capacity.

Key Financial Strategy Decisions:

1. **Transition from Property to Financial Investments:** The Directors determined that divesting a significant portion of the property holdings over the medium term and reinvesting in financial markets through professional fund managers could potentially double grant-making over the next decade.
2. **Future Market Considerations:** Georgian properties are costly to maintain, with net returns diminishing over time. Additionally, regulatory changes such as the anticipated Renter Reform Bill will further increase landlord obligations and reduce future net funds available for grant-making.
3. **Property Portfolio Valuation:** A fresh valuation of our properties necessitated an £8 million reduction in book value due to market conditions, higher interest rates, and increased landlord obligations reducing future cashflows. Despite this lower realisable valuation, our financial modelling indicates a substantial increase in future grant-making compared to retaining the property portfolio.

Since the year-end, several properties have been listed for sale or sold subject to contract in accordance with this strategy. The Directors are confident that this approach will enhance long-term financial sustainability and enable better fulfilment of our charitable mission by increasing grant-making over the next three to five years, subject to market performance.

Refining Grant-Making Strategy

Our foundational mission, established in 1858, remains unchanged: funding evangelists or 'Guides' who bring the gospel to the most deprived communities. In 2024 and early 2025, the Directors engaged in extensive prayer, research, consultations, and visits to like-minded gospel partners to refine our approach and consider how this founding mission should be fulfilled in 2025 and beyond.

Key Strategic Outcomes:

1. **Renewed focus on local, Jesus-centric churches in the top 20% of deprived communities:** We reaffirmed that the most effective means of evangelism is through deeply embedded, incarnational churches, physically located in the top 20% most deprived communities, ideally led by indigenous leaders who authentically connect with their communities.
2. **Vision for 2050:** We aspire to see these communities transformed by the love of Jesus, achieved through local churches making lifelong disciples who multiply within their communities. To achieve this, we want to prioritise

Mr Willats' Charity

TRUSTEES' REPORT (*continued*)

for the year ended 31 December 2024

funding more churches fitting the above criteria so they in turn can multiply and plant new churches in similar communities.

3. **Strategic Partnerships:** We have deepened collaborations with organisations that share our vision for taking the gospel to these communities and will partner with them to help fund leadership development, church planting, and evangelism initiatives to these communities.
4. **Expanded Grant Scope:** as well as pastoral workers, our funding now includes support for church planters called to break new ground in these communities and evangelism ministry workers to expand existing outreach with a view to supporting the multiplication of new churches being planted in the top 20% most deprived communities over the next 10 years.

Additionally, we have simplified our application process and developed a new application evaluation matrix to help us discern those people, churches and communities where God already seems to be on the move and to make it easier for potential applicants to access our support.

Subsequent sections provide further details on our 2024 grant-making activities. The full impact of our refined strategy is expected to be seen in 2025 and beyond.

Strengthening Governance and Board Oversight

2024 was a pivotal year for our governing board of Directors, marked by significant decisions, including appointing a new CEO, refining our grant-making strategy, and transitioning our investment strategy. To enhance oversight and governance, we introduced three new Board committees:

1. **Grant-Making Committee:** Evaluates grant applications in alignment with our strategic mission.
2. **Property Committee:** Oversees the strategic exit from our property portfolio over the next 5-7 years.
3. **Investment and Finance Committee:** Manages financial oversight, reinvestment strategies, and financial processes.

Each committee is led by Trustees with relevant expertise, ensuring strong governance and accountability. Looking ahead to 2025, we will continue to assess our governance structure and seek additional Directors for the Corporate Trustee as required who bring strategic kingdom connections, prayerful insights and relevant skills to support our mission of serving the most marginalized communities in England, Wales, and Ireland.

Through these strategic developments, we remain steadfast in our commitment to advancing the gospel and cooperating with the Holy Spirit to see increasing kingdom impact in the communities we serve. We are grateful for the continued guidance of God and how his mercy and love spreads and transforms communities, the faithful and sacrificial service of so many grantees we have the privilege of supporting, the dedication of our team, and the wisdom, collaboration and counsel of our partners who share the same vision to see the most marginalized communities in the UK and Ireland transformed by the love of Jesus.

Mr Willats' Charity

TRUSTEES' REPORT (*continued*)
for the year ended 31 December 2024

The day-to-day operations of the Charity

The Charity's Grant Making Activities

In 2024, our grant-making programme provided £469,540 (2023: £478,000) in funding, supporting 48 Guides across England, Ireland and Wales, as they worked to bring the Gospel message of hope and transformation to some of the country's most marginalised communities. This included £141k awarded in 2024 to 14 new Guides, alongside continued support for 34 existing Guides, reinforcing our long-term commitment to sustaining impactful ministries.

Our funding reached organisations engaged in prison ministry, community outreach, sports ministry, family support, and debt counselling, ensuring a broad yet deeply targeted approach to evangelism and social action. True to our mission, we prioritised those working in areas of significant deprivation, with our grants in 2024 directed to Guides based in communities ranking in the top 5% of the Indices of Multiple Deprivation (IMD). Grants were distributed across Birmingham, Manchester, Norwich, London, Hull, Barnsley, Hartlepool, Liverpool, and Stoke-on-Trent, supporting work in neighbourhoods with the highest levels of poverty, as well as among vulnerable groups such as prisoners, refugees, and asylum seekers.

Each grant was awarded for a period of three years, with funding attached to individual salaries with award amounts between £2,000 and £15,000 per year, ensuring that Guides could remain embedded in their communities and continue their vital work without the constant pressure of securing additional funding.

We remain committed to building and strengthening partnerships with the organisations we support, ensuring our grants create the greatest possible impact and align with our long-term funding strategy. Working with established organisations, we endeavour to ensure that our funded Guides receive the support, oversight and mentoring they need to thrive in their roles. In 2024, 64% of our grants were awarded to churches, reflecting our core belief that the church is God's primary vehicle to bring the hope of Jesus and his transformative power to their communities. The remaining 36% supported para church charities and voluntary groups, often bringing their specialist skills to the wider body, broadening our reach and enabling transformative work in diverse community settings. Through these partnerships, we share the hope of Jesus, strengthen local leadership, foster sustainable ministry, and ensure that our funding is used effectively to make a lasting difference in the communities they serve.

The Charity's Properties

The Charity owns a portfolio of Georgian listed residential properties in Bath, a UNESCO World Heritage City, along with a small number of commercial properties. The properties continue to provide an 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. Consequently, for reasons noted above, a strategic decision has been taken to exit a significant part of our residential property portfolio over the coming years as we foresee diminishing future returns, which left unchecked would inhibit our ability to maximize grant-making from the assets under our stewardship. There remain some residential properties that need refurbishment and modernisation before they will be able to be let at their full market rent or sold, and a decision will be made on a case-by-case basis on whether it is optimum to refurbish or sell. The previously agreed sale of a property in St James Square completed during 2024.

£570k was spent on property repairs in 2024 as part of the long term planned preventative maintenance programme resulting from the commissioned review in 2023.

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, new software was installed to better facilitate our compliance certification and reporting.

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TRUSTEES' REPORT (*continued*)

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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. Only investment income is used to deliver charitable objectives. No fundraising activities were conducted, and no external funds have been received in this accounting period.

Before accounting for inter-fund transfers and asset revaluations, the Charity made an unrestricted deficit of £53,029 (2023: surplus £215,032) in the year. This year-on-year movement from surplus to deficit was primarily due to significant roof and window refurbishment works in 2024 on two listed properties which did not count as capital works and consequently charged to income. No transfers were made to the endowment fund (2023: £26,296). After accounting for transfers and the revaluation adjustment, an overall unrestricted deficit of £158,031 was recorded in 2024 (2023: surplus of £188,736).

Unrestricted funds are reported as 3 amounts: unrestricted, designated: fixed assets, and designated: early end grants. Note 11 gives an analysis of the split across these elements, along with a prior year comparison.

With the strategic decision to move away from property and towards financial investments, an interim property valuation was undertaken at the year-end date based on the most recent sale of the St James Square property which, while meeting the section 119 test, was sold below carrying value. The outcome of this December 2024 interim valuation identified that the current market value of the portfolio was below the valuation undertaken in 2023 by £8,014,796. This downward revaluation has three main causes:

- Three of the commercial property valuations undertaken in 2023 were incorrect, resulting in a prior year downward restatement of £1,473,500 to reduce the valuation.
- The valuation report of 2023 valued the properties on two scenarios: one based on value of properties as individual flats/dwellings within a single building, and one based on selling the single building as a whole block comprising multiple flats/dwellings ("block value"). Given there was no intention to sell properties in 2023, the accounts adopted the valuation based on the sum of the individual flats. However, now the decision has been taken to exit, professional advice indicates the optimum exit strategy will be to sell entire blocks as the complications of managing multiple tenancies, multiple flat sales with multiple buyers, and the professional fees and resources required to deliver this will be time-consuming and expensive. Consequently, adopting this block value methodology and adjusting the 2023 valuation to reflect this gives rise to a further write down of £2,542,500.
- The final adjustment is due to market changes, including the state of the rental market, potential forthcoming landlord legislation and higher interest rates, which have depressed current valuations. This has resulted in a further write down of £3,998,796.

Note 4 gives further details, and this is the primary cause for the overall reduction in the endowment fund value at the end of 2024.

The endowment fund brought forward at the start of the year, after being restated for the prior year commercial property valuation adjustment, was £35,451,801 (2023: £36,924,275). During the year the endowment fund recognised a deficit of £6,549,699 (2023 restated: deficit £1,472,474). The deficit sustained in both years was due to a reduction in the valuations of the investment properties held by the endowment fund, following an interim valuation performed by Carter Jonas. This movement for the year was added to the brought forward funds to give a total carried forward year end endowment fund of £28,902,102 (2023 as restated: £35,451,801).

The total reserves carried forward at the year-end amounted to £29,584,668 (2023 as restated: £36,292,398).

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 managed by Cazenove. The Board seeks to obtain a balance in income return and capital growth from the Charity's quoted stocks and shares.

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for the year ended 31 December 2024

Considering 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 £52,922 (2023: £29,664). Dividend income was in line with expectations. See note 5 for more details.

RESERVES POLICY

The Board has agreed that the long-term goal is to maintain free unrestricted funds at a level that equates to approximately three to six months of expenditure. This is deemed appropriate given the risk of significant unanticipated or planned maintenance property-related expenditure and landlord compliance obligations. 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 generally sufficient given the regular and reliable income receivable from the rental of let properties. However, in the short-term as we seek to exit the property portfolio, the Board is aiming to operate at the higher end of this reserves range to mitigate rental income uncertainty as we anticipate more tenancy voids between listing the property and eventual completion of sale, as well as increased professional costs as we exit the portfolio.

Based on the expenditure in 2024, costs for three months amount to £384k. The balance held in unrestricted funds at the end of the year was £682,566. After deducting designated funds of £63,303 in relation to the fixed assets and designated fund £108,664 in relation to early end grants (see note 11) the Charity holds free reserves of £510,599 which meets the target set out in its reserves policy (£384k to £768k).

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 England, Wales and Scotland. 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 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, sharing the gospel with those in their community, and helping others come to know Jesus. The Guides do this by spending a proportion of their time directly undertaking evangelism, missionary and outreach work in the context of safe and respectful relationships and being embedded in the communities they serve. 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, comforting those in need and, through their employing churches or charities, providing practical support and care to meet the immediate needs of people living in those communities.

GRANT MAKING POLICY

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. Applications are evaluated using a range of criteria which ensure we are meeting our charitable objectives, including measures of deprivation for the community under consideration, type of work being undertaken, previous track record of similar work, expected impact and scrutiny of plans and budgets.

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.

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 the Charity's grant making activities, how we achieve

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TRUSTEES' REPORT (*continued*)

for the year ended 31 December 2024

our overall charitable objective, under review to ensure that our grant making strategy is current to the needs of these communities in 2025.

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 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">• Investment policy developed.• Investment policy defines the right blend of investment.• Reserves policy developed.• Targets set for rent collection, voids and arrears.
Over reliance on a single asset class to generate income. The quality of the Charity's property portfolio declines because of the increasing costs of maintaining it.	<ul style="list-style-type: none">• Revised financial strategy to build a more balanced and diversified portfolio of investments.• 10 year planned preventative maintenance 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 CEO, the Property Manager, the Grants and Projects Manager and the Finance Manager 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. 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:

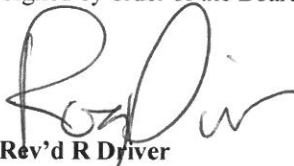
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed 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 10 July 2025

Signed by order of the Board:



Rev'd R Dwyer
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 2024 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 2024 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. 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.

Saffery LLP

Saffery LLP
Statutory Auditors

St Catherine's Court
Berkeley Place
Bristol
BS8 1BQ

Date: 24 July 2025

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 2024

	Note	Unrestricted Funds £	Endowment Funds £	Total 2024 £	Total (as restated) 2023 £
Income and endowments from:					
Investment property income		1,365,468	-	1,365,468	1,364,651
Other investment income		118,453	-	118,453	40,888
Total income		1,483,921	-	1,483,921	1,405,539
Expenditure on:					
<i>Cost of raising funds:</i>					
Let property expenditure	2	1,050,355	-	1,050,355	680,360
Investment management fees	2	-	5,216	5,216	4,934
<i>Expenditure on charitable activities:</i>					
Grants for parish Guides	1,2	486,595	-	486,595	510,147
Total expenditure	2	1,536,950	5,216	1,542,166	1,195,441
Loss on disposal of fixed assets	3	(2)	-	(2)	-
Unrealised gains/(losses) on revaluation of fixed assets	3	(105,000)	-	(105,000)	-
Unrealised gains/(losses) on revaluation of investment Properties	4	-	(6,541,296)	(6,541,296)	(1,523,500)
Realised loss on sale of investment properties			(56,109)	(56,109)	-
Net gains/(losses) on stock market investments	5	-	52,922	52,922	29,664
Net income/(loss) on ordinary activities before transfers		(158,031)	(6,549,699)	(6,707,730)	(1,283,738)
Transfer of funds	10	-	-	-	-
Net income/(loss) on ordinary activities		(158,031)	(6,549,699)	(6,707,730)	(1,283,738)
<i>Reconciliation of funds</i>					
Funds brought forward		840,597	35,451,801	36,292,398	37,576,136
Funds carried forward	11	682,566	28,902,102	29,584,668	36,292,398

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 30 form part of these financial statements.

Mr Willats' Charity

BALANCE SHEET

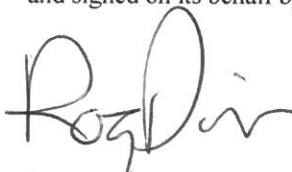
as at 31 December 2024

	Notes	2024 £	2023 (as restated) £
Fixed assets			
Tangible assets	3	63,303	160,455
Investment property	4	25,715,000	34,856,296
Other investments	5	643,211	595,505
		<hr/>	<hr/>
		26,421,514	35,612,256
Current assets			
Debtors	6	123,105	141,571
Cash at bank		4,047,182	1,510,948
		<hr/>	<hr/>
		4,170,287	1,652,519
Creditors: amounts falling due within one year	7	(740,790)	(668,335)
		<hr/>	<hr/>
Net current assets		3,429,497	984,184
Creditors: amounts falling due after more than one year	8	(266,343)	(304,042)
		<hr/>	<hr/>
Total net assets		29,584,668	36,292,398
		<hr/> <hr/>	<hr/> <hr/>
Funds:			
Endowment funds		28,902,102	35,451,801
Unrestricted funds			
- General		510,599	644,226
- Designated: fixed assets		63,303	160,455
- Designated: early-end grants		108,664	35,916
		<hr/>	<hr/>
	11	29,584,668	36,292,398
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 16 to 30 form part of these financial statements.

The financial statements on pages 13 to 30 were approved and authorised for issue by the Board of Trustees on
10 July 2025 and signed on its behalf by:

Rev'd R Driver
Chair of the Board



Mr Willats' Charity

CASH FLOW

as at 31 December 2024

	Notes	2024 £	2023 (as restated) £
Net cash inflow from operating activities	16	(115,942)	290,221
Cash flows from investing activities:			
Investment income received		118,453	40,888
Cash flows from financing activities:			
Expenditure on investment properties	4	-	(26,296)
Expenditure on tangible fixed assets	3	(10,168)	(3,522)
Proceeds from the sale on investment property		2,543,891	-
Change in cash and cash equivalents in the year		<u>2,536,234</u>	<u>301,291</u>
Cash and cash equivalents brought forward		1,510,948	1,209,657
Cash and cash equivalents carried forward		<u>4,047,182</u>	<u>1,510,948</u>

The notes on pages 16 to 30 form part of these financial statements

Mr Willats' Charity

ACCOUNTING POLICIES

for the year ended 31 December 2024

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. Please refer to the Reserves Policy section of the Trustees Report, the charity is deemed to have sufficient reserves to meet its obligations as they fall due.

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. In 2023 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 2024

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
- CEO/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 amounting to £4,280 (2023: £2,537). There was no outstanding contribution due at the year-end (2023: nil) 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 amounting to £2,731 (2023: £928). The total of the employee's and employer's pension liability in relation to this pension fund amounted to £1,413 (2023: £3,557) at the year end.

Mr Willats' Charity

ACCOUNTING POLICIES (*continued*)

for the year ended 31 December 2024

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. Purchases of items relating for furniture & fittings of rental properties are generally of an immaterial value and are expensed when purchased. A separate inventory of these items is maintained and checked regularly. The depreciation rates applied were as follows:

Office equipment – 20% straight line
Website – 25% straight line

Capital purchases in excess of £1,000 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, 'Investment Properties'.

Investment 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 desktop revaluations would be undertaken either in-house or through consultation with an appropriately qualified professional individual. If there is some indication that revaluation has occurred, the carrying value of the property would be updated in accordance with that review.

Note 4 gives more information about the impact of an interim desktop revaluation impacting on the 2024 financial statements, detailing the basis of the current year revaluation and prior year restatement that arose from this.

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 improvements which give rise to future economic benefits 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 2024

1 Grants for parish Guides	2024 £	2023 £
Net grant cost of grants awarded in the year	377,252	442,084
Cost allocation		
Salary costs: CEO/Interim Director	30,090	8,714
Salary costs: other staff	38,142	25,355
Audit, Accountancy & valuation fees	9,324	10,998
Administration costs	31,787	22,996
	<hr/>	<hr/>
Total costs as stated in the SOFA (see note 2)	486,595	510,147
	<hr/> <hr/>	<hr/> <hr/>
Reconciliation of grant commitments		
New grants awarded for parish Guides in the year	450,000	478,000
Re-distribution of early-end grants	19,540	-
Repayment of previously awarded grants to Guides (see note 11)	(92,288)	(35,916)
	<hr/>	<hr/>
	377,252	442,084
Commitment brought forward at the start of the year	597,709	457,792
Payments made to Guides during the year	(395,442)	(302,167)
	<hr/>	<hr/>
Commitments carried forward at the end of the year	579,519	597,709
	<hr/> <hr/>	<hr/> <hr/>
Split of commitments carried forward:		
Grants for parish Guides due within one year (see note 7)	313,176	293,667
Grants for parish Guides due in greater than one year (see note 8)	266,343	304,042
	<hr/>	<hr/>
	579,519	597,709
	<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 2024

2 Total expenditure

2024

	Salary Costs: CEO/Interim Director £	Salary Costs: Other Staff £	Audit & Accounts Services £	Admin Costs £	Other Direct Costs £	Total £
Let property expenditure	30,090	71,200	17,316	58,999	872,750	1,050,355
Investment management fees	-	-	-	-	5,216	5,216
Grants for parish guides (see note 1)	30,090	38,142	9,324	31,787	377,252	486,595
	<u>60,180</u>	<u>109,342</u>	<u>26,640</u>	<u>90,786</u>	<u>1,255,218</u>	<u>1,542,166</u>

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>

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

	CEO/Interim Director %	Staff Costs %	Audit & Accountancy %	Admin Costs %
2024				
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>
2023				
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 2024

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 £377,252 (2023: £442,084) 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 £99,497 (2023: £55,622). 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 £20,440 (2023: £15,060); no other fees (2023: £nil) were paid to the auditors during the year.

3 Tangible fixed assets

2024

	Freehold Property £	Office Equipment £	Furniture & Fittings £	Website £	Total £
Cost					
At the start of the year	155,000	42,443	277,352	22,948	497,743
Additions	-	10,168	-	-	10,168
Disposals	-	(26,760)	(277,352)	-	(304,112)
Revaluation	(105,000)	-	-	-	(105,000)
As the end of the year	50,000	25,851	-	22,948	98,799
Depreciation					
At the start of the year	-	37,528	276,812	22,948	337,288
Charge for the year	-	1,778	540	-	2,318
Write back on disposal	-	(26,758)	(277,352)	-	(304,110)
As the end of the year	-	12,548	-	22,948	35,496
Net book value					
As the end of the year	50,000	13,303	-	-	63,303

Office equipment items no longer in use were removed from the fixed asset register. Whilst most items were at nil net book value, a charge of £2 (2023: nil) arose from the disposal.

The furniture and fittings disposal relates to minor items on property inventories. These are below the fixed assets threshold of £1,000 and so have been disposed. These items are checked annually on a separate property inventory.

Mr Willats' Charity

NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2024

3 Tangible fixed assets (continued)

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 2024

4 Investment properties

2024	Commercial £	Residential £	Total £
Valuation at the start of the year	3,130,000	31,726,296	34,856,296
Improvements at cost during year	-	-	-
Property disposal during the year	-	(2,600,000)	(2,600,000)
Revaluation of property during year	-	(6,541,296)	(6,541,296)
	<hr/>	<hr/>	<hr/>
Valuation at the end of the year	<u>3,130,000</u>	<u>22,585,000</u>	<u>25,715,000</u>
	<hr/>	<hr/>	<hr/>
2023 (as restated)	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	(1,473,500)	(50,000)	(1,523,500)
	<hr/>	<hr/>	<hr/>
Valuation at the end of the year	<u>3,130,000</u>	<u>31,726,296</u>	<u>34,856,296</u>
	<hr/>	<hr/>	<hr/>

During 2024, a decision was made to change the way the permanent endowment is invested, resulting in a strategic plan to minimise investment property and increase investments in stocks, shares, gilts, etc. This is explained more fully in the Trustees report. The plans include selling properties as a whole unit to minimise loss of rental income and reduce fees of selling compared to individual flats. The previous full valuation in July 2023 contained 2 valuation methods; a lower value for properties valued as a whole, and a higher valuation for the properties valued as individual flats. At the time there was no plan to exit the property market. Revenue returns are generated on an individual flat basis, and so the higher value was agreed to be the best reflection of property value at that time.

With the 2024 decision to minimise property investments and maximise other investments by selling the property as a whole, the 2023 valuation method was no longer appropriate for the 2024 financial statements. An element of this would be to adopt the lower whole property valuation from the original July 2023 full valuation report. Current properties identified for sale were consistently showing market values below the 2023 valuation, and so an interim desk-top valuation was conducted by Carter Jonas, with each residential property being inspected.

The information received indicated the current market value per whole property was collectively below the July 2023 valuation, resulting in a downward property revaluation during the year. Further issues were uncovered for 3 of the commercial properties due to either error or inaccurate assumptions, leaving the 2023 valuation overstated and requiring a prior year re-statement to reflect this. The full adjustment is summarised in the table below.

The Board estimates that the market value of the freehold investment properties at 31 December 2024 is £25,715,000 (2023: £34,456,296), plus leasehold properties of £50,000 (2023: £400,000).

If revalued assets were stated on an historical cost basis rather than a fair value basis, the carrying amounts would have been approximately £365,000 (2023 - £395,000).

Mr Willats' Charity

NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2024

4 Investment properties (continued)

Breakdown of Investment Property Valuation Movement

	<i>Breakdown</i> £	Commercial £	Residential £	Total £
Valuation per 2023 published accounts		4,603,500	31,726,296	36,329,796
<u>Prior Year adjustment made up of:</u>				
- Leasehold rent based on incorrect lease value	(550,000)			
- Assumed upper floors refurbished and let	(650,000)			
- Assumed change of use with planning permission	<u>(273,500)</u>			
		(1,473,500)	-	(1,473,500)
Re-stated Investment property value prior year		3,130,000	31,726,296	34,856,296
Revaluation resulting from interim desktop valuation				
- Adjustment for whole property valuation	(2,542,500)			
- Further overall reduction based on market value assessment	<u>(3,998,796)</u>			
		-	(6,541,296)	(6,541,296)
Property sale completed in the year		-	<u>(2,600,000)</u>	<u>(2,600,000)</u>
Investment property valuation 2024		<u>3,130,000</u>	<u>22,585,000</u>	<u>25,715,000</u>

Mr Willats' Charity

NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2024

5 Other investments

	2024	2023
	£	£
Market value at the start of the year	595,505	570,775
Portfolio fees	(5,216)	(4,934)
Net gain/(loss)	52,922	29,664
	<hr/>	<hr/>
Market value at the end of the year	643,211	595,505
	<hr/> <hr/>	<hr/> <hr/>
Historical cost at the end of the year	566,984	532,592
	<hr/> <hr/>	<hr/> <hr/>
The investments are held as follows:	2024	2023
	£	£
Equities and convertible stocks	331,144	420,225
Gilts and other fixed interest stocks	292,225	151,235
Cash and cash equivalents	19,842	24,045
	<hr/>	<hr/>
	643,211	595,505
	<hr/> <hr/>	<hr/> <hr/>
Analysis by geographical sector	2024	2023
	£	£
Investment assets in the UK	101,452	103,701
Investment assets outside of the UK	541,759	491,804
	<hr/>	<hr/>
	643,211	595,505
	<hr/> <hr/>	<hr/> <hr/>

6 Debtors

	2024	2023
	£	£
Rents receivable	20,368	30,916
Other debtors	10	1,273
Prepayments	102,727	109,382
	<hr/>	<hr/>
	123,105	141,571
	<hr/> <hr/>	<hr/> <hr/>

Mr Willats' Charity

NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2024

7	Creditors: amounts falling due within one year	2024	2023
		£	£
	Rents invoiced in advance	61,950	76,985
	Rents received in advance	14,035	4,160
	Trade creditors	113,993	134,210
	Tax and social security	4,653	2,313
	Accruals	86,802	17,261
	Other creditors	146,181	139,739
	Grants due to Parish Guides	313,176	293,667
		<hr/>	<hr/>
		740,790	668,335
		<hr/>	<hr/>
8	Creditors: amounts falling due after more than one year	2024	2023
		£	£
	Grants due to Parish Guides	266,343	304,042
		<hr/>	<hr/>
9	Staff costs	2024	2023
		£	£
	Salaries	142,547	79,783
	Employer's NI	9,556	2,325
	Pension contributions	7,010	3,464
		<hr/>	<hr/>
		159,113	85,572
		<hr/>	<hr/>
	Average weekly number of employees during the year, calculated on an average headcount basis	4	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 CEO (appointed September 2024), the Property Manager, the Finance Manager (appointed April 2024) and the Grants and Project Manager. The total remuneration paid by the Charity to the Key Management personnel was £147,330 (2023: £73,750).

Mr Willats' Charity

NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2024

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. Unlike previous years, the endowment has £2,543,891 from the sale of a property during 2024.

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 2024, there was no capital expenditure for property enhancements (2023: £26,296).

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

	2024	2023
	£	£
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 2024

11 Analysis of net assets between funds

2024

	Investment Property £	Other Investments £	Fixed Assets £	Net Assets/ (Liabilities) £	Total £
Endowment funds	25,715,000	643,211	-	2,543,891	28,902,102
Unrestricted funds					
- General	-	-	-	510,599	510,599
- Designated: fixed assets	-	-	63,303	-	63,303
- Designated: early-end grants	-	-	-	108,664	108,664
	<u>25,715,000</u>	<u>643,211</u>	<u>63,303</u>	<u>3,163,154</u>	<u>29,584,668</u>

2023 (as restated)

	Investment Property £	Other Investments £	Fixed Assets £	Net Assets/ (Liabilities) £	Total £
Endowment funds	34,856,296	595,505	-	-	35,451,801
Unrestricted funds					
- General	-	-	-	644,226	644,226
- Designated: fixed assets	-	-	160,455	-	160,455
- Designated: early-end grants	-	-	-	35,916	35,916
	<u>34,856,296</u>	<u>595,505</u>	<u>160,455</u>	<u>680,142</u>	<u>36,292,398</u>

Details of the prior year restatement can be found in the investment properties note (note 4).

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 £2,444 (2023: £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 (2023: £nil) but expenses amounting to £1,900 (2023: £3,285) 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 the refurbishment of the upper floors at 20 High Street to create a 6-bedroom HMO, with the expectation works will be completed and the new floors let from September 2025. The estimated value of this commitment as at the year end was £210,000 (2023: £nil – previously reported expenditure was a repair not a capital commitment).

Mr Willats' Charity

NOTES TO THE ACCOUNTS *(continued)*

for the year ended 31 December 2024

14 Post balance sheet events

As part of the transition from property to financial investments, best-and-final open market offers have been received for 2 properties. The surveys are still pending and so a final selling price is not yet known. The current investment property value is indicative of the final amount realisable after the sale negotiations have been concluded.

15 Fund accounting comparative figures

2023 (as restated)

	Unrestricted Funds £	Endowment Funds £	Total 2023 £
Income and endowments from:			
Investment property income	1,364,651	-	1,364,651
Other investment income	40,888	-	40,888
	-----	-----	-----
Total income	1,405,539	-	1,405,539
	-----	-----	-----
Expenditure on:			
<i>Cost of raising funds:</i>			
Let property expenditure	680,360	-	680,360
Investment management fees	-	4,934	4,934
	-----	-----	-----
<i>Expenditure on charitable activities:</i>			
Grants for parish Guides	510,147	-	510,147
	-----	-----	-----
Total expenditure	1,190,507	4,934	1,195,441
	-----	-----	-----
Unrealised gains on revaluation of fixed assets	-	-	-
Unrealised gains on revaluation of investment properties	-	(1,523,500)	(1,523,500)
Net gains on stock market investments	-	29,664	29,664
	-----	-----	-----
Net income on ordinary activities	215,032	(1,498,770)	(1,283,738)
Transfer of funds	(26,296)	26,296	-
	-----	-----	-----
Net income/(loss) on ordinary activities	188,736	(1,472,474)	(1,283,738)
<i>Reconciliation of funds</i>			
Funds brought forward	651,861	36,924,275	37,576,136
	-----	-----	-----
Funds carried forward	840,597	35,451,801	36,292,398
	=====	=====	=====

Details of the prior year restatement can be found in the investment properties note (note 4).

Mr Willats' Charity

NOTES TO THE ACCOUNTS *(continued)*
for the year ended 31 December 2024

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

	2024	2023
	£	(as restated) £
Continuing activities		
Net movement in funds	(6,707,730)	(1,283,738)
Deduct investment income	(118,453)	(40,888)
Add back depreciation of tangible fixed assets	2,318	12,513
Deduct gains on investments	(52,922)	(29,664)
Add back losses on fixed asset disposals	2	-
Add back investment management fees	5,216	4,934
Add decrease / deduct increase in debtors	18,466	(19,598)
Add back increase in creditors	34,756	123,162
Add back loss on sale of investment property	56,109	-
Unrealised loss/(gain) on revaluations of investment properties	6,541,296	1,523,500
Unrealised loss/(gain) on revaluations of fixed assets	105,000	-
	<hr/>	<hr/>
Net cash inflow from operating activities	(115,942)	290,221