

BILL BROWN'S CHARITABLE SETTLEMENT OF 1989

ANNUAL REPORT AND ACCOUNTS

30TH JUNE 2023

PAYNE HICKS BEACH LLP

Solicitors
10 New Square
Lincoln's Inn
London WC2A 3QG

BILL BROWN'S CHARITABLE SETTLEMENT OF 1989

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ADMINISTRATIVE INFORMATION ABOUT THE CHARITY, ITS TRUSTEE AND ADVISERS

<u>CORPORATE TRUSTEE</u>	:	Bill Brown Charity Trustees
<u>DIRECTORS OF THE CORPORATE TRUSTEE (THE DIRECTORS)</u>	:	Graham Stephen Brown Anthony John Barnett Neil John Wingerath
<u>PRINCIPAL ADDRESS</u>	:	10 New Square Lincoln's Inn London WC2A 3QG
<u>WEBSITE ADDRESS</u>	:	www.billbrowncharity.org
<u>CHARITY REGISTRATION NUMBER</u>	:	801756
<u>AUDITOR</u>	:	Bright Grahame Murray Emperor's Gate 114a Cromwell Road Kensington, London, SW7 4AG
<u>INVESTMENT MANAGER</u>	:	Investec Wealth and Investment Limited 30 Gresham Street London EC2V 7QN
<u>BANKERS</u>	:	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
<u>PROPERTY MANAGEMENT</u>	:	Hall Barn Estates Limited The Estate Office Home Farm Hall Barn Beaconsfield Bucks HP9 2SG Bidwells LLP Bidwell House Trumpington Road Cambridge CB2 9LD
<u>SOLICITORS AND ADMINISTRATORS</u>	:	Payne Hicks Beach LLP 10 New Square Lincoln's Inn London WC2A 3QG

DIRECTORS' REPORT - 30TH JUNE 2023

The directors of the corporate trustee (the directors) presents its statutory report together with the accounts of Bill Brown's Charitable Settlement of 1989 (also referred to as "The Bill Brown 1989 Charitable Trust") for the year ended 30th June 2023.

The accounts have been prepared in accordance with the accounting policies set out on pages 18 to 21 of the attached accounts and comply with the Charity's trust deed, applicable laws, applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), second edition (October 2019).

GOVERNANCE, STRUCTURE AND MANAGEMENT**Governance**

The Bill Brown's Charitable Settlement of 1989 is governed by a trust deed dated 2nd May 1989. The unincorporated charity is registered under the Charities Act 2011, Charity Registration No. 801756.

The statutory power of appointment of new directors of the corporate trustee lies with the continuing directors themselves.

The names of the trustees/directors who served during the year are set out as part of the administrative information on page 3 of this Annual Report and Accounts. Brief biographical details are given below:

Graham Stephen Brown

Mr. Brown has been a trustee since inception and retired on the 11th December 2020. He was a partner in Payne Hicks Beach from 1972 until 2009, and was senior partner from 1994 to 2008, and was a consultant with the firm until retiring on 31st May 2014. He is an Honorary Bencher of the Honourable Society of Lincoln's Inn. Mr. Brown is not related to the late settlor.

Anthony John Barnett

Mr. Barnett was appointed a trustee on 26th September 1997 and retired on the 11th December 2020. He is a Chartered Accountant and retired as finance director of Verlingue Limited on 30th September 2020.

Neil John Wingerath

Mr. Wingerath was appointed a director in January 2024. He was for many years employed as Head of the Trust and Tax Department of Payne Hicks Beach LLP.

Bill Brown Charity Trustees

On 11th December 2020, Bill Brown Charity Trustees was appointed the sole trustee of the Trust. The directors of the corporate trustee are Graham Stephen Brown, Anthony John Barnett and Neil John Wingerath.

The corporate trustee holds title of the investment properties belonging to the trust.

On agreeing to their appointment, the directors are thoroughly briefed by their co-directors on the history of the trust, the day-to-day management, the responsibilities of the directors, the current objectives and future plans.

Directors' responsibilities statement

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

DIRECTORS' REPORT - 30TH JUNE 2023**GOVERNANCE, STRUCTURE AND MANAGEMENT (Continued)****Directors' responsibilities statement (continued)**

Charity law in England and Wales requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity at the year end and of its income and expenditure during that year. In preparing accounts giving a true and fair view, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the trust deed. They are 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 directors are 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 accounts may differ from legislation in other jurisdictions.

Structure and management reporting

The directors are ultimately responsible for the policies, activities and assets of the charity. They meet twice a year to review the developments with regard to the charity, its grant giving activities and make any important decisions. When necessary, the directors seek advice and support from the charity's professional advisers including investment managers, solicitors and accountants. The day to day management of the charity's activities, and the implementation of policies, is delegated to the Private Client Department of Payne Hicks Beach LLP. The directors are continuing to review and develop the process of managing grant applications and Payne Hicks Beach LLP administers payments and keeps the books and records of the charity.

At their meetings the directors review the investment performance, and the investment managers attend the meetings to update the directors in detail on the portfolio. The directors review the proposals for grants to be made and approve such grants as appropriate.

DIRECTORS' REPORT - 30TH JUNE 2023**GOVERNANCE, STRUCTURE AND MANAGEMENT (Continued)****Risk management**

In line with the requirement for charity directors to undertake a risk assessment exercise and report on the same in their annual report, the directors have looked at the risks the Bill Brown's Charitable Settlement of 1989 currently faces and have reviewed the measures in place, or needing to be put in place, to deal with them. The directors have identified three main areas where risks may occur:

- Governance
- Operational
- Financial

Governance looks at the continuity of trusteeship, the skills and background of the directors and the policies of regular meetings of the directors to review their aims and activities.

Operational looks at the risk inherent in the delegation of statutory and legal requirements of the charity, its management and secretarial functions and delegation of certain of those functions, and its grant giving activities.

Financial risks include those inherent in delegation of management and custody of listed investments to independent investment managers, the financial record keeping of the charity, its investment policy, audit and review procedures.

Having assessed the major risks to which the charity is exposed, in particular those relating to its investments and its finances, the directors believe that by ensuring controls exist over key financial systems incorporating the systems and controls implemented by Payne Hicks Beach LLP, and by delegating the listed investment management function to investment managers, subject to regular monitoring, including periodic reviews of performance against benchmarks, they have established effective systems to mitigate those risks.

The risk assessment is kept under regular review and is fully reassessed every three years.

The keys risks faced by the charity, as identified by the directors, are described below together with the principal ways in which they are mitigated.

The value of the listed investments is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the directors. The directors meet twice a year with the investment managers and the manager's performance and that of the portfolio are monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs - both now and in the future.

Having completed a programme of investment in commercial properties in Beaconsfield, Buckinghamshire, the charity now has properties informally valued at 30th June 2023 at £8,535,000 before set off of a loan from CAF Bank secured against the properties. The directors carry out regular reviews of the properties in conjunction with their property agents Bidwells LLP who remain engaged to carry out regular strategic reviews.

The charity carries out its objectives by providing grants to institutions that are also UK registered charities, whose objects comply with the charity's criteria. There is a risk that a grant provided by the charity may not reach the intended recipient and/or may be used for purposes not consistent with the charity's objects. Whilst the directors are mindful of their own obligation to ensure that the charity benefits the public generally, they take some assurance from the fact that recipients of grants are themselves regulated to ensure that they operate for the public benefit.

DIRECTORS' REPORT - 30TH JUNE 2023

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES

Activities and specific objectives

The directors operate a grant giving policy, providing funds for such charitable objects or institutions as the directors think fit.

Institutions intending to make an appeal are directed to the website www.billbrowncharity.org where more detailed information concerning particular areas of support, application guidelines, exclusions and grants can be found.

The directors aim to make annual equivalent distributions of approximately £475,000, excluding substantial bursary commitments. After taking account of the bursaries and grants regularly made, there are limited funds available for distribution to other charities in accordance with the guidelines set out in the grant giving policy as summarised on the charity's website.

Objectives and activities for the public benefit

The directors take their inspiration in identifying their areas of interest from the life of the Settlor, and his own thoughts and wishes, so far as they are known.

The directors confirm that they have referred to the guidance contained in the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy.

The Trust carries out these objectives by providing grants and commitments to institutions that are also UK registered charities, whose objects comply with the Trust's criteria. Whilst the directors are mindful of their own obligation to ensure that the Trust benefits the public generally, they take some assurance from the fact that recipients of grants are themselves regulated to ensure that they operate for the public benefit.

Potential recipients of grants are identified by the directors individually in areas where it is perceived that public benefit will be achieved. The opportunity to benefit is not restricted in any way except that grants are restricted to bodies registered in the UK, not least to facilitate the director being able to follow up on the efficacy of the grants made. In all other respects grants are not limited in any way except that the recipients should have a charitable need.

The director therefore consider that the Trust's activities are for the benefit of the public generally.

Key management

The directors of the corporate trustee consider that they alone comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day to day basis. All directors give of their time freely and no directors received any remuneration in the year. Details of directors' expenses and remuneration and any related party transactions are disclosed in notes 3 and 4 to the accounts. As noted above, the day or day management of the charity's activities, and the implementation of policies, is delegated to the Private Client Department of Payne Hicks Beach LLP.

Listed investment policy

The charity has portfolios of listed investments with an aggregate market value as at 30th June 2023 of £7,636,208.

DIRECTORS' REPORT - 30TH JUNE 2023**ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (Continued)****Listed investment policy (Continued)**

There are no restrictions on the charity's power to invest. Separate investment strategies are agreed between the directors and the two firms of investment managers and are regularly reviewed. These are the subject of separate policy statements which have been completed by the directors and form an integral part of the agreements with the investment managers to provide investment management services.

The investment managers are invited to attend each formal meeting of the directors to provide a report on the performance of the portfolios, comparison against the benchmarks and general market issues.

ACHIEVEMENTS AND PERFORMANCE**Commercial property**

The directors have four commercial properties and details of these are shown in the attached accounts. Improvement works to the properties have been undertaken and the properties are let. At the period end the properties were valued at £8,535,000. The property investment, including the improvement works, have been funded by a loan of which £1,599,318 remains repayable at 30th June 2023 and is secured on three of the commercial properties.

Review of activities

Total income received in the period from the charity's investment assets and cash deposits amounts to £464,862 which equates to a yield of 2.9% (based on the market valuation of the assets at the year end). The directors awarded grants totalling £153,250 during the year, in accordance with the charity's grant giving policy set out above. A detailed list of all grants made in the period is included in the Appendix on page 27.

The directors maintain a list of charitable organisations which the charity regularly supports and they are currently undertaking a comprehensive review of their grant giving policy as set out above.

The directors feel that their objectives have been adequately met during the period.

However, the directors are aware that there are external factors, which could affect the achievement of their objectives as a significant part of the charity's assets are made up of investments and cash, the result of which are dependent on the general performance of the UK and overseas stock markets. As noted above under risk management, in order to minimise this, the directors have set prudent investment policies and place reliance on the investment managers to monitor and advise on the necessary investment changes and suitable asset allocation.

Investment performance

The yield from the combined income of listed investment assets and cash deposits was 2.4%, and there was a capital increase of 2.3% (based on the valuation of assets at the period end). At the end of the period the charity's portfolio of investments comprised of 29% UK equities and unit trusts, 9% UK fixed interest, 62% overseas equities and fixed interest.

The aggregate rents for the period from the lettings of the properties at London End was £255,958 (with rent arrears of £10,988) which equates to a gross yield of 3% p.a. (excluding arrears).

In view of the current volatility in financial markets, the directors are satisfied with the performance of the listed investments and they are content also with the return from the investment properties. They are satisfied that their investment objectives will be met over the medium term.

DIRECTORS' REPORT - 30TH JUNE 2023**FINANCIAL REVIEW****Results for the year**

A summary of the period's results can be found on page 15 of this report and accounts.

During the year ended 30th June 2023, total income amounted to £464,862 (2022 - £591,368), being income arising from the charity's investments including rental income and cash deposits.

The directors made grants and commitments to 13 institutions totalling £153,250 (2022 - £110,000). No new grants were agreed during the year ended 30th June 2023, only regular donations were awarded. Investment manager fees were £39,948 (2022 - £45,501), grant administration costs totalled £37,454 (2022 - £53,795), property expenses amounted to £228,840 (including CAF Loan Interest of £98,751) (2022 - £200,387) and governance costs were £12,727 (2022 - £4,359). Total expenditure was £472,219 (2022 - £409,938).

There were net losses on listed investments and investment property during the year of £377,507 (2022 - losses of £703,334).

This results in net decrease in funds during the year of £384,864 (2022 - net decrease in fund of £521,904).

Reserves policy and financial position***Reserves policy***

The directors' policy is to operate on the basis of being able to continue to generate sufficient income to use towards meeting their charitable objects and to accord with their principal aims. The directors are of the opinion that the funds remains sufficient to enable them to continue this ongoing objective.

The charity has sufficient, but not excessive, funds to service its objective of making future charitable distributions.

Financial position

The balance sheet shows total funds of £12,674,402 (2022 - £13,059,266). The unrestricted fund comprises amounts which ultimately are free reserves but which are held by the directors for investment so as to ensure the continued generation of income in future periods, thereby helping to safeguard the long term existence of the charity and the achievement of its objectives. The size of the unrestricted fund sustains and supports the levels of donations which the directors wish to maintain and enhance over time. The directors consider free reserves to be adequate but not excessive in the light of the charity's reserve policy set out above.

Future plans

The directors do not anticipate any significant changes to the charity or its activities over the next two to five years. It is their intention to meet the following objectives:

- To increase their direct investment in commercial property.
- To ensure the performance of both listed investments and property achieves the criteria set by them so that there are sufficient funds to meet their grant giving policies.

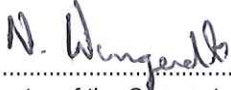
DIRECTORS' REPORT - 30TH JUNE 2023

FINANCIAL REVIEW (Continued)

Future plans (Continued)

- To continue to make grants and commitments at a similar or higher level.

Signed on behalf of the directors of the corporate trustee:


.....
Director of the Corporate Trustee

Approved by the directors of the corporate trustee on:.....30 April.....2024

INDEPENDENT AUDITOR'S REPORT - 30TH JUNE 2023

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF THE CORPORATE TRUSTEE OF THE BILL BROWN'S CHARITABLE SETTLEMENT OF 1989

OPINION

We have audited the accounts of Bill Brown's Charitable Settlement of 1989 (the 'charity') for the year ended 30 June 2023 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the notes to the accounts. 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 accounts:

- give a true and fair view of the state of the charity's affairs as at 30 June 2023 and of its income and expenditure 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 FOR 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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the directors of the corporate trustees' use of the going concern basis of accounting in the preparation of the accounts 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 accounts are authorised for issue.

Our responsibilities and the responsibilities of the directors of the corporate trustee with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The directors of the corporate trustee are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT - 30TH JUNE 2023

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF THE CORPORATE TRUSTEE OF THE BILL BROWN'S CHARITABLE SETTLEMENT OF 1989

OTHER INFORMATION (Continued)

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in 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 there is a material misstatement in the accounts or a material misstatement of the other information. 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.

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 Act 2011 requires us to report to you if, in our opinion:

- the information given in the directors' report is inconsistent in any material respect with the accounts; or
- sufficient accounting records have not been kept; or
- the accounts 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 DIRECTORS

As explained more fully in the directors' responsibilities statement, the directors of the corporate trustee are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors of the trustee determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the directors of the trustee 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 directors of the trustee either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ACCOUNTS

We have been appointed as auditors under 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 accounts.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

INDEPENDENT AUDITOR'S REPORT - 30TH JUNE 2023

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF THE CORPORATE TRUSTEE OF THE BILL BROWN'S CHARITABLE SETTLEMENT OF 1989

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ACCOUNTS (Continued)

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011).
- We identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of the charity's administrators as to their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- Tested authorisation controls on expenditure items, ensuring all expenditure was approved in line with the charity's financial procedures; and
- Performed substantive testing on grant expenditure to ensure the expenditure incurred complied with the funding agreements.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of those charged with governance; and
- Enquiring of the charity's administrators as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors of the trustee and administrators and the inspection of regulatory and legal correspondence, if any.

INDEPENDENT AUDITOR'S REPORT - 30TH JUNE 2023

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF THE CORPORATE
TRUSTEE OF THE BILL BROWN'S CHARITABLE SETTLEMENT OF 1989**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ACCOUNTS (Continued)

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located 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 directors, as a body, in accordance with section 145 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's directors 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 charity's directors as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Davis FCA (Senior Statutory Auditor)
for and on behalf of Bright Grahame Murray
Chartered Accountants
Emperor's Gate
114a Cromwell Road
Kensington, London, SW7 4AG

30 April 2024

Bright Grahame Murray is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30TH JUNE 2023

<u>2022</u>		<u>Notes</u>	<u>2023</u>
£			£
	INCOME FROM:		
	Investments		
378,931	Rental income		255,958
14,449	Service charges		25,292
197,652	Income from listed investments	1	181,052
336	Interest receivable		2,560
<u>591,368</u>	TOTAL INCOME		<u>464,862</u>
	EXPENDITURE ON		
	Raising funds		
45,501	Investment management costs		39,948
200,387	Property expenses		228,840
	Charitable activities		
	Promoting and enhancing		
	charitable work	2	203,431
<u>164,050</u>			<u></u>
<u>409,938</u>	TOTAL EXPENDITURE		<u>472,219</u>
181,430	NET (EXPENDITURE)/INCOME BEFORE INVESTMENT GAINS/(LOSSES)		(7,357)
	Investment gains:		
37,146	Realised gains/(losses) on listed investments	6	1,116,379
(1,008,164)	Unrealised gains/(losses) on listed investments	6	(942,212)
267,684	Unrealised gains/(losses) on investment property	7	(551,674)
<u>(703,334)</u>	NET GAINS/(LOSSES) ON INVESTMENTS		<u>(377,507)</u>
	NET INCOME/(EXPENDITURE) AND NET MOVEMENT IN FUNDS		
(521,904)			(384,864)
	RECONCILIATION OF FUNDS		
13,581,170	Total funds brought forward at 1st July 2022		13,059,266
<u>13,059,266</u>	Total funds carried forward at 30th June 2023		<u>12,674,402</u>

All recognised gains and losses are included in the above statement of financial activities.

All of the charity's activities derived from continuing operations during the above two financial years.

All income and expenditure were attributable to unrestricted funds in the above two financial years.

BALANCE SHEET - 30TH JUNE 2023

<u>2022</u>	<u>2022</u>		<u>Notes</u>	<u>2023</u>	<u>2023</u>
<u>£</u>	<u>£</u>			<u>£</u>	<u>£</u>
		<u>FIXED ASSETS</u>			
		Investments			
8,580,635		Listed Investments	6		7,636,208
9,085,000		Freehold Investment Properties	7		8,535,000
17,665,635					16,171,208
		<u>CURRENT ASSETS</u>			
	73,021	Debtors	8	16,925	
	753,749	Cash at bank and in hand	9	969,928	
	826,770	Total current assets		986,853	
		<u>LIABILITIES:</u>			
	(1,141,471)	Creditors: Amounts falling due within one year	10	(929,261)	
(314,701)		<u>NET CURRENT ASSETS/(LIABILITIES)</u>			57,592
17,350,934		<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			16,228,800
		Creditors: Amounts falling due after one year	11		(3,554,398)
(4,291,668)					
		<u>NET ASSETS</u>			12,674,402
13,059,266					
		<u>THE FUNDS OF THE CHARITY</u>			
		Unrestricted Income Funds			
13,059,266		General Funds			12,674,402

Approved by the directors of the corporate trustee and signed on their behalf by:

N. Wangerath
Directors of the Corporate Trustee

Date of Approval: 30 April 2024

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30TH JUNE 2023

<u>2022</u>		<u>2023</u>
<u>£</u>		<u>£</u>
CASH FLOWS FOR OPERATING ACTIVITIES		
(521,904)	Net income/(expenditure) for the year	(384,864)
703,334	Net (gain)/loss on investments	377,507
(336)	Interest receivable	(2,560)
(591,032)	Investment income receivable	(462,302)
9,729	Decrease/(increase) in debtors	56,096
(682,430)	Increase/(decrease) in creditors	(949,480)
<u>(1,082,639)</u>	NET CASH USED IN OPERATING ACTIVITIES	<u>(1,365,603)</u>

<u>2022</u>		<u>2023</u>
<u>£</u>		<u>£</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(1,373,773)	Payments to acquire investments	(2,160,167)
	Payments towards investment property and capital improvements	(1,674)
1,702,747	Receipts from disposals of investments	3,278,761
336	Interest receivable	2,560
591,032	Investment income received	462,302
<u>918,026</u>	NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,581,782</u>

<u>£</u>	CHANGES IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD	<u>£</u>
918,362	Balance at beginning of the period	753,749
(164,613)	Movement in cash in the year	216,179
<u>753,749</u>	Balance at end of the period	<u>969,928</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1st <u>July 2022</u>	Movement <u>in year</u>	At 30th <u>June 2023</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Cash at bank and in hand	753,749	216,179	969,928
Debt due within one year	(62,533)	17,613	(44,920)
Debt due after one year	(1,591,668)	37,270	(1,554,398)
Net debt	<u>(900,452)</u>	<u>271,062</u>	<u>(629,390)</u>

PRINCIPAL ACCOUNTING POLICIES - 30TH JUNE 2023

Charity Information

Bill Brown's Charitable Settlement of 1989 is an unincorporated charity registered in England and Wales (Charity Number 801756). The charity is governed by a Trust Deed dated 2nd May 1989. The registered office is 10 New Square, Lincoln's Inn, London, WC2A 3QG.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year ended 30th June 2023 with comparative information presented in respect to the year to 30th June 2022.

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

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) second edition (October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the directors to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- estimating the liability for multi-year grant commitments.
- estimating the valuation of the investment property.

Assessment of going concern

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The directors have made this assessment in respect of a period of one year from the date of approval of these accounts.

The directors have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The directors are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due and therefore there are no concerns regarding the charity's ability to continue as a going concern. The most significant areas of judgement that affect items in the account are detailed above. With regard to the next accounting period, the year ending 30th June 2024, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the directors' report for more information).

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

PRINCIPAL ACCOUNTING POLICIES - 30TH JUNE 2023**Income recognition (continued)**

Income comprises property rental income and services charges, investment income from listed investments and interest from deposits.

Rental income and service charges from investment properties are recognised when they become due under the relevant tenancy agreement.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligations can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between the activities is as follows:

- (a) Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes the fees paid to the investment manager in connection with the management of the charity's listed investments and the costs in respect to the charity's investment properties.
- (b) Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include charitable grants payable in promoting and enhancing charitable work carried out by other charitable organisations, and related support costs including the cost of administering the activities of the charity and governance costs.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions. Grants approved but not paid at the end of the financial period are accrued for. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued for but are noted as financial commitments in the notes to the accounts.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of administration services.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect of its compliance with regulation and good practice.

Support costs and governance costs are apportioned directly to the one charitable activity.

Fixed asset investments

Fixed asset investments (both listed investments and property) are included on the balance sheet at their market value at the end of the financial period. Realised and unrealised gains (or losses) are credited (or debited), to the statement of financial activities in the year in which they arise.

PRINCIPAL ACCOUNTING POLICIES - 30TH JUNE 2023**Fixed asset investments (continued)**

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charity is that a volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Investment Properties

Investment properties are initially recognised at cost. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure such as legal and brokerage fees, property transfer taxes and other transaction costs.

Investment properties have subsequently been measured at fair value (i.e. open market value) at the reporting date.

The property valuation is based on the valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and class of the investment properties being valued.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial period. Unrealised gains and losses are calculated as the difference between the fair value at the period end and their carrying value at that date. Realised and unrealised investment gains (or losses) are credited (or debited) in the statement of financial activities in the period in which they arise.

Loans

Bank loans are a basic financial instruments and are recognised at their transaction value, which is normally the principal amount advanced plus transaction costs. Subsequent to initial recognition, loans are stated at amortised cost with any difference between cost and redemption value being recognised the statement of financial activities using the effective interest method.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash in bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

The unrestricted fund represents funds available for the general charitable purposes of the charity which may be applied at the discretion of the directors.

NOTES TO THE ACCOUNTS - 30TH JUNE 2023

1 INVESTMENT INCOME

Income from listed investments arises from the following investments:

<u>2022</u>		<u>2023</u>
<u>£</u>	Direct investments:	<u>£</u>
132,791	UK Equities and Unit Trusts	98,089
12,870	Fixed Interest	5,850
2,936	REITS	749
42,567	Overseas Equities	56,341
6,488	Overseas Interest	20,016
-	Excess reportable income	7
<u>197,652</u>		<u>181,052</u>

2 PROMOTING AND ENHANCING CHARITABLE WORK

<u>2022</u>		<u>2023</u>
<u>£</u>		<u>£</u>
110,000	Grants payable to institutions	153,250
	<u>Add/(less):</u>	
	Bristol Grammar School excess	
896	donation 2019/2020	-
(5,000)	Allocated donation to CAF Trust in 2021	-
		<u>153,250</u>
53,795	Grant administration costs	37,454
4,359	Governance costs (note 3)	12,727
<u>164,050</u>		<u>203,431</u>

A reconciliation of the grants payable and grant commitments figures shown in these accounts is as follows:

<u>2022</u>		<u>2023</u>
<u>£</u>		<u>£</u>
4,164,760	Grant commitments at 1st July 2022	3,650,000
110,000	Grants agreed during the year	153,250
	<u>Add/(less):</u>	
	Bristol Grammar School excess	
896	donation 2019/2020	-
		<u>153,250</u>
<u>4,275,656</u>	Grants payable	<u>3,803,250</u>
(625,656)	Grants paid during the year	(1,091,250)
<u>3,650,000</u>	Grant commitments at 30th June 2023	<u>2,712,000</u>

In addition to the amounts committed and accrued and noted above, the directors from time to time also authorise certain grants which are subject to the recipient fulfilling certain conditions. The total amount authorised but not accrued for in these accounts at 30th June 2023 was £nil (2022 - £nil).

NOTES TO THE ACCOUNTS - 30TH JUNE 2023

3 GOVERNANCE COSTS

<u>2022</u>		<u>2023</u>
<u>£</u>		<u>£</u>
	Statutory audit fee	
	- Adjustment to 2021 fees	(36)
4,620	Adjustment to 2022 fees	4,380
	- 2023	7,200
		11,544
(261)	Directors' expenses	1,183
4,359		12,727

4 STAFF COSTS, DIRECTORS' REMUNERATION AND RELATED PARTY TRANSACTIONS

The charity employed no staff during the year (2022 - none).

No directors received any remuneration in respect of their services during the year (2022 - £nil).

One director was reimbursed £1,183 for expenditure incurred in the performance of their duties during the year (2022 - Neil Wingerath in his former role as Trustee Secretary was reimbursed £589).

The key management personnel of the charity in charge of directing and controlling the charity comprise the directors.

The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £nil (2022 - £nil).

There were no other related party transactions during the period of the report (2022 - none).

5 TAXATION

The Bill Brown's Charitable Settlement of 1989 is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities as they fall within the exemptions available to registered charities.

6 LISTED INVESTMENTS

<u>2022</u>		<u>2023</u>
<u>£</u>		<u>£</u>
	Movements in listed investments during the year were as follows:	
9,880,627	Market value at 1st July 2022	8,580,635
1,373,773	Additions at cost	2,160,167
	Disposals at book value	
(1,665,601)	(proceeds: £3,278,761; gains £1,116,379)	(2,162,382)
(1,008,164)	Net unrealised gains/(losses) in year	(942,212)
8,580,635	Market value at 30th June 2023	7,636,208
6,404,802	Cost of listed investments 30th June 2023	6,400,639

NOTES TO THE ACCOUNTS - 30TH JUNE 2023

6 LISTED INVESTMENTS (Continued)

All investments were dealt in on a recognised stock exchange:

<u>2022</u>		<u>2023</u>
<u>£</u>		<u>£</u>
	Listed investments held at 30th June 2023 comprise the following investments all listed on a UK stock exchange:	
3,201,021	UK Equities and Unit Trusts	2,204,545
680,530	UK Fixed Interest	682,083
3,881,551	Overseas	2,886,628
4,046,907	Equities	4,127,267
652,177	Fixed Interest	622,313
<u>8,580,635</u>		<u>7,636,208</u>

At 30th June 2023 no individual holdings had a market value in excess of 5% of the entire portfolio.

7 FREEHOLD INVESTMENT PROPERTY

<u>2022</u>		<u>2023</u>
<u>£</u>		<u>£</u>
8,815,000	Market value brought forward	9,085,000
2,316	Additions	1,674
267,684	Revaluation	(551,674)
<u>9,085,000</u>		<u>8,535,000</u>

The freehold properties were revalued as at 30th June 2023 on an open market value. The valuations were carried out by the directors with professional assistance.

The market values of the properties as at 30th June are:

1,440,000	5 London End, Beaconsfield, Bucks	1,200,000
4,080,000	35/37/39 London End, Beaconsfield, Bucks	3,900,000
3,565,000	51/53 London End, Beaconsfield, Bucks	3,435,000
<u>9,085,000</u>		<u>8,535,000</u>

NOTES TO THE ACCOUNTS - 30TH JUNE 2023

7 FREEHOLD INVESTMENT PROPERTY (Continued)

<u>2022</u>		<u>2023</u>
<u>£</u>		<u>£</u>
The historic cost of the properties are:		
1,358,150	5 London End, Beaconsfield, Bucks HP9 2HW	1,358,150
570,408	35 London End, Beaconsfield, Bucks HP9 2HW	570,408
3,112,554	37/39 London End, Beaconsfield, Bucks HP9 2HW	3,112,554
3,155,030	51/53 London End, Beaconsfield, Bucks HP9 2HW	3,156,704
<u>8,196,142</u>		<u>8,197,816</u>

8 DEBTORS

<u>2022</u>		<u>2023</u>
<u>£</u>		<u>£</u>
184	Income Tax recoverable	184
8,975	VAT recoverable	-
57,646	Rent arrears	10,988
6,216	Accrued interest on investments	5,753
<u>73,021</u>		<u>16,925</u>

9 CASH AT BANK AND IN HAND

<u>2022</u>		<u>2023</u>
<u>£</u>		<u>£</u>
535,116	Investec Wealth and Investment	700,373
65,016	CAF Bank Ltd.	60,999
93,153	Payne Hicks Beach LLP	82,166
51,827	Philip Marsh Collins Deung	105,014
8,637	Hall Barn Estates Ltd.	21,376
<u>753,749</u>		<u>969,928</u>

NOTES TO THE ACCOUNTS - 30TH JUNE 2023

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

<u>2022</u>		<u>2023</u>
<u>£</u>		<u>£</u>
	Accruals for grants payable	
-	Agreed donations in 2023 awaiting payment	12,000
500,000	University of Bristol - Premier Lecture Theatres	500,000
450,000	Churchill College - Bill Brown Creative Workshop	200,000
	Bank loans and overdrafts	
62,533	Loan (note 11)	44,920
4,050	CAF Loan repayment and interest accrual	5,275
	Trade creditors	
10,580	Investment management fees	9,881
44,216	Grant administration costs	37,454
	Statutory audit fee	
4,488	2020	4,488
4,620	2021	4,584
4,620	2022	9,000
-	2023	7,200
		25,272
	Accruals and deferred income	
23,983	Deferred income	50,338
	Taxation and social security	
5,818	VAT payable	12,253
	Other creditors	
11,955	Lease tenancy deposit	16,643
14,608	Other creditors	15,225
<u>1,141,471</u>		<u>929,261</u>

11 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

<u>2022</u>		<u>2023</u>
<u>£</u>		<u>£</u>
	Loan	
67,223	Within 1 - 2 years	50,539
219,216	Within 2 - 5 years	178,846
1,305,229	After 5 years	1,325,013
<u>1,591,668</u>		1,554,398
	Grants	
2,500,000	University of Bristol - Premier Lecture Theatres	2,000,000
200,000	Churchill College - Bill Brown Creative Workshop	-
<u>4,291,668</u>		<u>3,554,398</u>

The directors took out a 25 year term repayment loan with CAF of £2,100,000 on the 31st March 2015, secured on 5, 35 and 37/39 London End, Beaconsfield, Bucks HP9 2HW.

The monthly repayments are £14,386.24 with a total lease of 25 years. The current interest rate has been fixed at 8.17% for 3 years ending 20 July 2026.

NOTES TO THE ACCOUNTS - 30TH JUNE 2023**12 Operating Lease Commitments (Lessor)**

The Charity has entered into a number of non-cancellable operating leases as lessor for which the total of future minimum lease payments are as follows:

<u>2022</u>		<u>2023</u>
<u>£</u>		<u>£</u>
258,838	Within one year	235,753
330,462	Later than one year but within five years	319,210
147,748	Later than five years	-
<u>737,048</u>		<u>554,963</u>

APPENDIX: GRANTS PAYABLE

<u>GRANTS PAYABLE:</u>	<u>Amount</u>
<u>Institutions</u>	<u>£</u>
Charities Aid Foundation Trust	70,000
Alzheimer's Society	7,500
Barnado's	3,750
Crohn's and Colitis UK	7,500
Debra	7,500
Dementia Support	5,000
Fight Against Blindness	5,000
Leonard Cheshire Disability	7,500
Macmillan Cancer Support	15,000
Multiple Sclerosis Society	7,500
On Course Foundation	2,000
RAF Benevolent Fund	7,500
Re-Engage	7,500
	153,250

Total grants and donations made to institutions during 2022 amounted to £110,000