

THE THOMAS WATSON COTTAGE HOMES

England & Wales · Charity number 206515

Details

Other names	T W C H
Status	Registered
Legal form	Other
Registered	1980-08-15
Register	View on the Charity Commission register

Contact

Address	6A The Hall Thomas Watson Cottage Homes Leecroft Road Hertfordshire EN5 2TJ
Phone	02084493032
Email	clerk@thomaswatsonch.co.uk

Activities

Objects: THE PROVISION AND MAINTENANCE OF ALMSHOUSES FOR AGED OR POOR PERSONS AND THEIR SPOUSES OR WIDOWS IN ORDER OF PRIORITY : 1) FORMER EMPLOYEES OF SUTTON AND COMPANY, SUTTON AND COMPANY LIMITED AND SUTTON AND COMPANY (MANCHESTER) LIMITED. 2) EMPLOYEES OR FORMER EMPLOYEES OF ANY SUCCESSOR COMPANY OR THE SAID COMPANIES OR ANY COMPANY OF NFC PLC. 3) EMPLOYEES OR FORMER EMPLOYEES OF ANY PERSON, FIRM, COMPANY OR UNDERTAKING ENGAGED IN THE BUSINESS OF CARRYING FREIGHT. 4) EMPLOYEES OR FORMER EMPLOYEES OF ANY OTHER CARRIER OR FREIGHT.

Activities: Provides sheltered housing for past employees of freight industry

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Accommodation/housing
- **Who:** Elderly/old People, Other Defined Groups

Geography

- Hertfordshire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£816,409	£660,282	£4,673,572	3
2023-12-31	£344,219	£406,086	-	-
2022-12-31	£325,503	£351,270	-	-
2021-12-31	£307,308	£281,868	-	-
2020-12-31	£296,306	£259,298	-	-

Trustees

Name	Role	Appointed
JENNIFER SARAH HARROLD	Chair	1976-04-25
ANDREW EDRUPT		2024-01-25
Claire Louise Corbett		2016-07-28
Kate Mallon		2016-04-28
RICHARD WILLIAM PEART		2004-04-25
SARAH HELEN HOUSDEN		1984-04-25
Simon de Galleani		2024-01-25
VALERIE ELIZABETH CORRIGAN		2006-04-25

Accounts

THE THOMAS WATSON COTTAGE HOMES

REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2024

CONTENTS:

Page	1	Trust Information
	2 - 5	Report of the Trustees
	6-8	Auditors' report
	9	Statement of financial activities
	10	Balance sheet
	11 - 19	Notes to the financial statements

THE THOMAS WATSON COTTAGE HOMES

6A The Hall
Leecroft Road
Barnet
Herts EN5 2TJ

REFERENCE AND ADMINISTRATIVE INFORMATION

CHARITY NUMBER:	206515
TRUSTEES:	Mrs J S Harrold (Chairman) Mrs S H Housden Mr R W Peart Mrs V E Corrigan Mr D L Kay Mrs C L Corbett Mrs S K Mallon Mr A K Edrupt Mr S C de Galleani
CLERK TO THE TRUSTEES:	Mrs J I Scott (appointed February 2024) Mr J Alford (retired January 2024)
FINANCE MANAGER:	Mrs M P Dye (resigned 31 st October 2024) Mrs K Kendall (appointed 16 th July 2024)
SHELTERED HOUSING MANAGER	Mrs S E Baker
SOLICITORS:	Wedlake Bell LLP 71 Queen Victoria Street London EC4V 4AY
AUDITORS:	Keelings Limited Broad House 1 The Broadway Old Hatfield Hertfordshire AL9 5BG
BANKERS:	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ

THE THOMAS WATSON COTTAGE HOMES

REPORT OF THE TRUSTEES

The Trustees present their report and the audited financial statements for the year ended 31st December 2024. These have been prepared in accordance with the Statement of Recommended Practice issued applicable to Charities preparing their accounts in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and Charities Act 2011 and the Charity's governing documents.

TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles 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 Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Charity was established on 25th November 1913 and in 1980 combined with the Charity of Annie Lucy Watson, established by Will on 2nd March 1937. The Charity is regulated by a scheme of the Charity Commissioners of 15th August 1980, as affected by the Scheme of the Commissioners of 26th October 1987 (Authority to sell land), and as varied by the provisions of the Schemes dated 24th June 1991 (to establish a Cyclical Maintenance Fund and extend qualification to spouses), 10th June 1992 (authority for expenditure of £145,000 on refurbishment of Cottages, subject to direction to recoup over 15 years), 25th January 1996 (authority for expenditure of £600,000 towards construction of at least 10 flats subject to direction to recoup over 60 years) and supplemental order, dated 8th September 1996 (authority to expend a further £50,000 on construction of a further flat), and 18th February 2010 (authority for expenditure of not more than £1,300,000 towards construction of further eight housing units sub-

ject to direction to recoup over 60 years).

THE THOMAS WATSON COTTAGE HOMES

REPORT OF THE TRUSTEES

- continued

Trustees

The Trustees appointed to the Thomas Watson Cottage Homes show a balance of skills in order to run this Charity effectively. At the year end, there are four Trustees who are directly related to the Founders, two others who are former employees of NFC and one who is a local resident. Their expertise covers Property and Planning, Finance and Welfare.

There are no outside parties who can appoint Trustees for the Thomas Watson Cottage Homes.

Each Trustee is appointed for a term of five years by a resolution of the existing Trustees and may be reappointed at the end of such term.

All new Trustees are given a copy of the Residents' Handbook, full details on the running of the Charity and guidelines from the Charity Commission for this scheme. Any other opportunities for training are also considered.

Structure of Organisation

The Trustees met four times during the year in person and via zoom as and when required.

- To review the finances of the Charity.
- To consider on-going requirements for the maintenance and upkeep of the individual housing units and for the estate in general.
- To determine action required in relation to future developments on the estate.
- To receive reports from the Clerk on the health and well-being of residents and other matters relating to the running of the Charity, including Housing Benefit.

There were sub-committee meetings during the year as required.

The day-to-day administrative activities were carried out by the Clerk to the Trustees, with assistance from the Sheltered Housing Manager and the Finance Manager.

Statement of Risk Management

The Trustees have considered the risks to which The Thomas Watson Cottage Homes are exposed. These risks are mitigated by:

- A Board of Trustees with the necessary experience and competence to ensure the successful running of the Charity;
- Regular Trustees' meetings with effective reporting to ensure proper review of operations;
- Maintenance of a sufficient reserve to implement an effective relocation programme in the event of a disaster affecting the habitability of the accommodation;

Other financial risks have been addressed by insurance.

THE THOMAS WATSON COTTAGE HOMES

REPORT OF THE TRUSTEES

- continued

CHARITY OBJECTIVES AND ACTIVITIES

The Objective is to run Almshouses for the benefit of the following persons. They shall be aged or poor persons of the following classes and their spouses or widows in the following order of priority:

- Former employees of Sutton and Company, Sutton and Company Limited and Sutton and Company (Manchester) Limited;
- Employees or former employees of any successor company of the said companies or any company of NFC plc;
- Employees or former employees of any person, firm, company or undertaking engaged in the business of carrying freight;
- Employees or former employees of any other carrier of freight.

Provided that when selecting residents in all the above classes preference shall be given to such persons who have been employed as above mentioned for the longest period.

NFC plc changed its name to EXEL plc and then merged with Ocean Group plc. This group now forms part of DHL which in turn is owned by Deutsche Post AG. The Charity Commission advise that this does not require a change in the Scheme of the Charity.

Subject to the expenses of Management, transfers to a Cyclical Maintenance Fund and an Extraordinary Repair Fund, the Trustees shall apply the income of the Charity for the benefit of the residents in the Almshouses of the Charity or any of them in such manner as the Trustees think fit from time to time.

The Trustees confirm that the Charity Commission's general guidance on public benefit has been considered in relation to the objectives of the Charity. The report sets out those objectives and describes how they have been met in the current year.

The only volunteers are the Trustees.

The Charity does not engage in fundraising activities.

ACHIEVEMENTS AND PERFORMANCE

In 2024 we had 91% occupancy, which is down from 98% in 2023. This is mainly due to a significant refurbishment project for one Cottage, which saw this Cottage being unoccupied for the most part of the year. The next steps with regards to the future of said Cottage are currently being discussed by the Trustees.

One flat in Colgate Court continues to be used as a guest flat and for other facilities for the benefit of the residents.

The Clerk to the Trustees, Mr Jeremy Alford, retired after 15 years of valuable service. Mrs Jo Scott joined the staff in February and was formally accepted after her probationary period. All the Staff have provided excellent care and support to our Residents and assistance to the Trustees.

The significant construction work required to secure and stabilise the embankment to the rear of 15-17 Jubilee Cottages took place during the year and was finalised towards the end of 2024.

THE THOMAS WATSON COTTAGE HOMES

REPORT OF THE TRUSTEES

- continued

FINANCIAL REVIEW

The Trustees have considered reserves required as part of their assessment of risk and also taken into account the annual requirement to transfer recoupment funds to the Endowment Fund. This year the amount transferred was £10,832 for Colgate Court and £21,664 for the new Cottages.

It is the Trustees' policy to maintain a balance on general reserves which equates to at least 6 months general expenditure. The balance at the year end was £204,621 which exceeds this target, but is considered prudent by the Trustees.

Having assessed the Charity's financial circumstances the Trustees have a reasonable expectation that the Charity has adequate resources to continue its operations for the foreseeable future.

The principal funding source is Weekly Maintenance Contributions from the Cottages and Flats.

The average contribution per unit of occupied accommodation was £9,318 per annum. Residents of 8 units received Housing Benefit during the year. Weekly Maintenance Contributions were increased from April 2024 by approximately 5%.

The Charity does not rely on voluntary work nor does it receive any gifts in kind. The Finance sub-committee recommends the investment policy, which is ratified at the full quarterly Trustee meetings.

The balance of Recoupment funds continue to be held in Deposit Accounts and investments. The equity market has fluctuated during the year and the investments held throughout the year increased in value by a net total of £43,139, with unrealised gains of £40,776 and realised gains of £2,363.

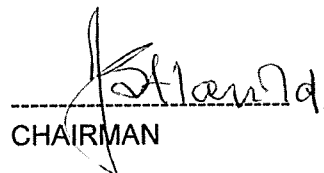
The investment policy of the Charity is to mitigate its risk by having a spread of investment funds, with review by the Trustees on a quarterly basis. The Charity's policy on reserves is determined by the various Charity Commission Orders on an ongoing concern basis. The Charity aims to break even from its operations on the General Fund year on year.

PLANS FOR THE FUTURE

Future quinquennial inspections will take place on a rotation basis between the Original Cottages, Colgate Court and Jubilee Cottages.

A decision by the Trustees with regard to the future of one of the larger Original Cottages is currently being made. This will include the option of a general refurbishment, or alternatively splitting the existing Cottage into two, smaller, new dwellings.

Thomas Watson Cottage Homes
Leecroft Road
Barnet
Herts EN5 2TJ


CHAIRMAN

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE THOMAS WATSON COTTAGE HOMES

Opinion

We have audited the financial statements of The Thomas Watson Cottage Homes (the 'Charity') for the year ended 31st December 2024 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31st 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 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 financial statements 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 where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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 Trustees

As explained more fully in the Statement of Trustees Responsibilities, the Trustees are responsible for the preparation of the financial statements which 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Entity and the industry in which it operates and considered the risk of acts by Management and which were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, compliance with Financial Reporting Framework FRS 102, Charities Act 2011, General Data Protection Regulations, and applicable Health and Safety and Employment Legislation. We made enquiries of the Trustees of the Charity to obtain further understanding of the risks of non-compliance. We focused on laws and regulations that could

give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

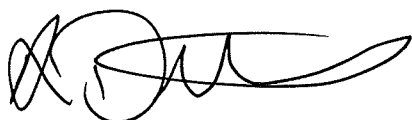
- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of Management regarding known or suspected instances of non-compliance with laws and regulations;
- review of minutes of the Board meetings throughout the year;
- obtaining an understanding of the control environment in place to prevent and detect irregularities.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error. Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditors' 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 Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Keelings Limited
Statutory Auditors, Chartered Tax Advisers
and Chartered Certified Accountants
Broad House
1 The Broadway
Old Hatfield
Hertfordshire
AL9 5BG

THE THOMAS WATSON COTTAGE HOMES
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST DECEMBER 2024

	Notes	/.....INCOME FUNDS.....\			CAPITAL FUND		
		General Fund £	Cyclical Maintenance Fund £	Extra-ordinary Repair Fund £	Endowment Fund £	TOTAL 2024 £	TOTAL 2023 £
Income from:							
Charitable Activities:							
Weekly maintenance contributions and Housing Benefit		270,362				270,362	263,019
Bank and Deposit Interest		16,939				16,939	9,550
Activity for generating funds:							
Investment Income	6	69,526				69,526	71,598
Donation							50
Other Income	11 & 13			99,581	360,000	459,581	50
Wayleaves		1				1	2
Total Income		356,828	-	99,581	360,000	816,409	344,219
Expenditure on:							
Charitable activities							
Maintenance of Site properties	3	128,473	5,033	107,085	312,490	553,081	312,616
Warden's costs and Residents Amenities	4	48,596				48,596	48,883
Other Running Costs	5	58,605				58,605	44,587
Total Expenditure		235,674	5,033	107,085	312,490	660,282	406,086
Net income/(expenditure) before transfers		121,154	(5,033)	(7,504)	47,510	156,127	(61,867)
Transfer between funds:							
Recoupment	7	(32,496)			32,496	-	-
Extraordinary Repair Fund	11	(30,225)		30,225		-	-
Cyclical Maintenance Fund	12	(40,033)	40,033			-	-
		18,400	35,000	22,721	80,006	156,127	(61,867)
Gains/(Losses) on Investment Assets		2,363			40,776	43,139	180,531
Net Movement of Funds		20,763	35,000	22,721	120,782	199,266	118,664
Reconciliation of Funds							
Total Funds brought forward at 1.1.24		183,858	69,506	61,302	4,159,640	4,474,306	4,355,642
Total Funds carried forward at 31.12.24		204,621	104,506	84,023	4,280,422	4,673,572	4,474,306

The notes on pages 11 to 19 form part of these accounts

THE THOMAS WATSON COTTAGE HOMES
BALANCE SHEET AT 31ST DECEMBER 2024

INCOME FUNDS

	Notes	General Fund £	Cyclical Maintenance Fund £	Extra-ordinary Repair Fund £	Endowment Fund £	TOTAL 2024 £	General Fund £	Cyclical Maintenance Fund £	Extra-ordinary Repair Fund £	Endowment Fund £	TOTAL 2023 £
FIXED ASSETS											
Investments at Market Value	6	40,878	-	-	2,682,947	2,723,825	38,899	-	-	2,641,786	2,680,685
Land and Buildings	7				1,390,666	1,390,666	-			1,423,162	1,423,162
TOTAL FIXED ASSETS		40,878	-	-	4,073,613	4,114,491	38,899	-	-	4,064,948	4,103,847
CURRENT ASSETS											
Debtors	8	29,399				29,399	34,301				34,301
Cash and Cash Equivalents	9	160,788	109,540	84,023	241,750	596,101	141,744	69,506	61,302	94,692	367,244
		190,187	109,540	84,023	241,750	625,500	176,045	69,506	61,302	94,692	401,545
LIABILITIES											
Amounts falling due within 1 yr	10	(26,444)	(5,034)	-	(34,941)	(66,419)	(31,086)	-	-	-	(31,086)
NET CURRENT ASSETS		163,743	104,506	84,023	206,809	559,081	144,959	69,506	61,302	94,692	370,459
TOTAL NET ASSETS		204,620	104,506	84,023	4,280,422	4,673,572	183,858	69,506	61,302	4,159,640	4,474,306

FUNDS OF CHARITY

CAPITAL FUNDS											
Endowment	13				4,280,422	4,280,422				4,159,640	4,159,640
INCOME FUNDS											
Unrestricted Funds:											
General	14	204,621				204,621	183,858				183,858
Designated Funds:											
Cyclical Maintenance	12		104,506			104,506		69,506			69,506
Designated Funds:											
Extraordinary Repair Fund	11			84,023		84,023			61,302		61,302
		204,621	104,506	84,023	4,280,422	4,673,572	183,858	69,506	61,302	4,159,640	4,474,306

Approved by the Trustees on 17/07/25 and signed on their behalf by:


TRUSTEE


TRUSTEE

The notes on pages 11 to 19 form part of these accounts

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2024

1. ACCOUNTING POLICIES

Basis of Preparation of Financial Statements

The financial statements 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 have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have therefore departed from the Charities (Accounts and Reports) Regulations 2008. This departure has involved following the Charities SORP (FRS 102) as stated above, rather than the Accounting and Reporting by Charities Statement of Recommended Practice effective from 1st April 2005 which has since been withdrawn.

The Thomas Watson Cottages Homes constitutes a public benefit entity as defined by FRS 102.

The reporting currency is GBP and all amounts have been rounded to the nearest £.

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been allocated by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Designated funds are represented by the Cyclical Maintenance Fund and the Extraordinary Repair Fund which were set up to be used against the regular upkeep and maintenance of the properties.

The Endowment Fund represents the endowment made by the daughters of Thomas Watson for the primary purpose of the Charity.

Investment income, gains and losses are allocated to the appropriate fund.

Revaluation of Fixed Asset Investments

In accordance with the SORP, investments of the Charity have been revalued at the balance sheet date. The value shown in the accounts is the mid-market price.

Land held by the Charity with no prospect of development or sale has not been revalued.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income.

Resources Expended

Resources expended are accounted for on an accruals basis. It is the policy of the Trustees not to capitalise new office equipment costing less than £5,000.

All resources expended are inclusive of irrecoverable VAT, which is charged against the expense to which it relates.

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

- continued

1. ACCOUNTING POLICIES (continued)

Resources Expended (continued)

During the year, the Charity generated a surplus of £199,266 after revaluation of investments (2023: £118,664), which translates to a surplus of £156,227 (2023: deficit of £61,867) before revaluation of investments.

The Trustees consider The Thomas Watson Cottage Homes a going concern for the foreseeable future, this being at least 12 months from the date the balance sheet was signed.

This is due to the considerable endowment held by the Charity, which generates income. The weekly maintenance contributions paid by the residents represent ca. 90% of market rent, and it can be expected that a similar level of income can be achieved in that regard in the next year. The Trustees budget for 5% of the properties being vacant during the year, which would not cause the Charity any financial hardship.

Additionally, the Charity holds a large investment portfolio which generates ca. 20% of its income after adjusting for exceptional income in 2024. It is split between equity and treasury stock to reduce risk while still being able to generate good returns.

Unexpected expenses are unlikely to occur as quinquennial works are carried out on the cottages to ensure that they are in good states of repair, and any issues can be addressed immediately or can be budgeted for.

Cash Flow

The financial statements do not include a cash flow statement because the Charity, as a small reporting entity, is exempt from the requirements to prepare such a statement under the Charities SORP (FRS 102).

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Amortisation

The cost of Colgate Court and Jubilee Cottages is amortised at rates calculated to be in accordance with the recoupment rate set down by the Charity Commission as set out below:

Colgate Court	- over 60 years
Jubilee Cottages	- over 60 years

The Trustees consider the time period for the amortisation appropriate in view of the directions of the Charity Commission in the Schemes dated 25th January 1996 and 16th February 2010.

Interest Receivable

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.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

- continued

1. ACCOUNTING POLICIES (continued)

Liabilities and provisions

Liabilities 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.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation.

Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Financial Instruments

With the exception of fixed asset investments, the Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION

In the application of the Charity's accounting policies, the Trustees may be required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in a period of the revision and future periods if the revision affects both current and future periods.

At the year end date the Trustees had identified the following relevant estimates for which assumptions might be needed in the financial statements:

Amortisation (Recoupment)

The cost of Colgate Court and Jubilee Cottages is amortised at rates calculated to be in accordance with the recoupment rate set down by the Charity Commission (60 years).

Dividends and Interest Income

Official information on interest and dividends receivable for the latter part of the year is usually received after the year end and after the accounts have been prepared, making it necessary to estimate the anticipated interest/ dividend income. Estimates are made based on experience and interest received for previous periods.

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

3 MAINTENANCE OF SITE AND PROPERTIES	2024 £	2023 £
INCOME FUND		
Maintenance and general upkeep	39,943	50,437
Maintenance salaries	33,417	31,794
Landscaping, gardening and grounds	6,841	3,083
Light and heat	20,537	15,414
Rates and Insurance	27,736	22,655
Planning Costs & Other Prof fees	-	780
	<u>128,473</u>	<u>124,163</u>
CYCLICAL MAINTENANCE FUND		
Quinquennial Works & professional fees	<u>5,033</u>	<u>14,646</u>
EXTRA-ORDINARY REPAIR FUND		
Exceptional repair works & Professional fees	<u>107,085</u>	<u>80,813</u>
ENDOWMENT FUND		
Amortisation of Colgate Court	10,832	10,832
Amortisation of Jubilee Cottages	21,664	21,664
Remedial Costs for Jubilee Cottages (see note 13)	279,994	60,498
	<u>312,490</u>	<u>92,994</u>
TOTAL FUNDS	<u>553,081</u>	<u>312,616</u>
4 DIRECT WAGE COSTS & RESIDENTS' AMENITIES	2024	2023
	£	£
Wages and national insurance	39,762	37,817
Alarm system	2,012	3,954
Residents Amenities & Welfare	6,821	7,112
	<u>48,596</u>	<u>48,883</u>
5 OTHER RUNNING COSTS	2024	2023
	£	£
Clerk's Salary	32,129	25,795
Telephone, Postage and Stationery	2,852	1,612
National Association of Almshouses	662	413
Sundry expenses	511	326
Office Equipment & Computer maintenance	843	1,199
Recruitment & Training	903	1,172
Audit	3,488	3,402
Trustees' expenses	427	604
Financial services	15,290	10,064
Professional fees	1,500	-
	<u>58,605</u>	<u>44,587</u>

Total salary costs amounted to £105,308 (2023: £95,406) including £4,537 (2023: £3,543) employer's national insurance contributions. Average staff members in the year were 3 (2023: 3)

No Trustee received or waived any remuneration in the year. Trustees expenses relate to the attendance at meetings and associated costs incurred by all Trustees.

Key management comprises the Trustees who give their time freely and do not receive any remuneration.

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

- continued

6 INVESTMENTS

	Cost £	Market Value £	Interest/ Dividend £
Endowment Fund			
2.5% IndexLink TSY Stock 2024	-	-	2,237
4.125% IndexLink TSY Stock 2030	172,025	392,264	8,005
2% IndexLink TSY Stock 2035	149,890	128,352	2,029
C.O.I.F. investment income shares - 58,915.50	750,004	1,559,196	42,393
BLK Charities UK Equity Fund - A	185,106	385,588	13,285
BLK Charities UK Bond Fund - Class A Inc	50,000	37,274	1,575
M&G Charity Multi Asset Fund	25,828	180,273	-
General fund:			
156.85 COIF Accum. Shares (2002: Cost £3,000)	3,000	40,878	-
TOTAL INVESTMENTS	1,335,853	2,723,825	69,526

SUMMARY OF MOVEMENTS IN YEAR

	£
Market value at 1st January 2024	2,680,685
Purchases in the year	220,181
Sales in the year - proceeds	(220,181)
Realised Gain	2,363
Unrealised gain	40,776
Market value at 31st December 2024	2,723,825

All investments are UK investments

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

- continued

7 LAND AND BUILDINGS

The Charity owns the freehold to 6.3 acres of land at Chipping Barnet together with 20 cottages and 11 flats, being 30 units of accommodation for residents, and one residents' guest suite.

The land together with the 12 original cottage homes was donated to the Charity by the Founders in 1913. This cost attributed to the original cottages is their 2008 valuation and the Trustees have adopted this figure for the purposes of FRS 102. It will not be subject to further revaluation and the depreciation charged recognises that they have been occupied for charitable purposes for in excess of 60 years, being the period of amortisation adopted as explained below.

On 25th January 1995, the Charity Commissioners authorised the Trustees of the Charity to expend from its permanent endowment not more than £600,000 (increased to £650,000 on 8th September 1995) towards the construction of at least eleven flats. Construction commenced during 1995 and final payments were made during 1998 on contract value of £674,629. The cost in excess of the Charity Commission authorisation has been met from interest earned on the £650,000 during the course of development. The Trustees are required to recoup the sums expended by transfer from income over 60 years. The depreciation method adopted reflects the recoupment period and has therefore been set to write off the cost of buildings over 60 years. As a result, the original cottages are considered fully depreciated and amortisation provisions continue to be made for the flats and jubilee cottages.

On 18th. February 2010, the Charity Commissioners authorised the Trustees of the Charity to expend from its permanent endowment not more than £1,300,000, towards the construction of eight cottages. Work was completed during 2011 and the Trustees will be required to recoup the sum expended by transfer from income over 60 years and this is reflected in the depreciation charge.

The cost of other land represents the expenditure incurred during 2008 in securing the land not considered available for sale. This is considered by the Trustees to be a reasonable estimate of the value of that land.

	Flats	Cottages	Jubilee Cottages	Other Land	Total
	£	£	£	£	£
COST OR VALUATION					
At 1st January 2024	674,629	2,384,226	1,299,717	14,789	4,373,361
Cost during the year					-
At 31st December 2024	674,629	2,384,226	1,299,717	14,789	4,373,361
AMORTISATION					
At 1st January 2024	295,201	2,384,226	270,772	-	2,950,199
Provision in year	10,832	-	21,664	-	32,496
At 31st December 2024	306,033	2,384,226	292,436	-	2,982,695
NET BOOK VALUE					
At 31st December 2024	368,596	-	1,007,281	14,789	1,390,666
At 31st December 2023	379,428	-	1,028,945	14,789	1,423,162

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS - continued

8 DEBTORS	2024 £	2023 £
Prepayments	7,606	9,172
Accrued Income	21,792	25,129
	29,399	34,301
9 CASH AT BANK AND CASH EQUIVALENTS	2024 £	2023 £
Cash at bank	193,808	110,542
Cash equivalents	402,294	256,702
	596,101	367,244
10 CREDITORS	2024 £	2023 £
Amounts falling due within one year:		
Accruals	49,071	14,285
Deferred Income	13,770	14,517
Accounts Payable	1,217	-
Other Tax & Social Security	2,307	2,284
Sundry	54	-
	66,419	31,086

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

- continued

11 EXTRAORDINARY REPAIR FUND YEAR ENDED 31ST DECEMBER 2024	2024 £	2023 £
Fund at 1st January 2024	61,302	82,115
Transfer in the year	30,225	60,000
Withdrawn/Recouped during the year	(7,504)	(80,813)
Fund at 31st December 2024	<u>84,023</u>	<u>61,302</u>
REPRESENTED BY:		
Various cash deposits	<u>84,023</u>	<u>61,302</u>

Included in the net movement of £7,504 is "Other Income" of £99,581 which represents insurance refunds in connection with the refurbishment of one of the cottages.

12 CYCLICAL MAINTENANCE FUND YEAR ENDED 31ST DECEMBER 2024	2024 £	2023 £
Fund as at 1st January 2024	69,506	69,152
Transfer in the year	40,033	15,000
Expenditure in the year	(5,033)	(14,646)
Fund at 31st December 2024	<u>104,506</u>	<u>69,506</u>
REPRESENTED BY:		
Creditors	(5,033)	
Various cash deposits	<u>109,539</u>	<u>69,506</u>
	<u>104,506</u>	<u>69,506</u>

A specific fund was established in 2001 and is shown separately in accordance with SORP 2015. It is the intention of the Trustees to maintain the fund by regular transfers from the general fund.

13 ENDOWMENT FUND YEAR ENDED 31ST DECEMBER 2024	2024 £	2023 £
Fund as at 1st January 2024	4,159,640	4,043,938
Transfer in the year	32,496	32,496
Recoupment/Depreciation	(32,496)	(32,496)
Expenditure in the year	(279,994)	(60,498)
Income in the year	360,000	-
Gains/Losses on Investment Assets	40,776	176,200
Fund at 31st December 2024	<u>4,280,422</u>	<u>4,159,640</u>
REPRESENTED BY:		
Land and Buildings	1,423,162	1,423,162
Investments	2,682,947	2,641,786
Creditors	(34,941)	
Cash deposits	209,254	94,692
	<u>4,280,422</u>	<u>4,159,640</u>

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

- continued

13 ENDOWMENT FUND

YEAR ENDED 31ST DECEMBER 2024 (continued)

The Charity Commission has approved the use of Endowment Funds to monitor, investigate, effect abnormal and/or emergency repairs to drains and patios, carry out abnormal remedial works including design and supervision and incur independent expert and associated legal costs relating to the movement and subsidence in the embankment to the rear of Nos 15-17 Jubilee Cottages. Three applications were approved by the Charity Commission for this purpose - in October 2019, August 2022 and December 2023 - to the value of £490,000. The accounts include £279,994 of such costs during the year (2023 £60,498.) So far, £476,110 has been spent on repairs attributable to the Endowment Fund.

In July 2024, the Charity received compensation of £360,000 for costs incurred in connection with the work on the embankment. The income is included in the SOFA under "Other Income."

14 GENERAL FUND

YEAR ENDED 31ST DECEMBER 2024

	2024	2023
	£	£
Fund as at 1st January 2024	183,858	160,437
Net Income/Expenditure before transfers	121,154	126,586
Transfers in the year	(102,754)	(107,496)
Gains/(Losses) on Investment Assets	2,363	4,331
Fund at 31st December 2024	<u>204,621</u>	<u>183,858</u>
REPRESENTED BY:		
Investments	40,878	38,899
Net current Assets	163,743	144,959
	<u>204,621</u>	<u>183,858</u>

15 RESERVES

As noted in the Risk Assessment section of the Trustees' Report, the principal purpose of the general reserve is to provide for relocation and care of residents in the event of a major incident depriving the Trustees of the use of the residential buildings. The Charity also requires funds to plan for growth and this is specifically assessed from time to time.

16 FINANCIAL INSTRUMENTS

Financial Assets	2024	2023
	£	£
Financial assets measured at fair value through the SOFA	2,723,825	2,680,685

Financial assets measured at fair value through the SOFA comprise investments

15 RELATED PARTIES

During the year ended 2024, there were no transactions with related parties (2023 none)

Accounts

THE THOMAS WATSON COTTAGE HOMES

REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2023

CONTENTS:

Page	1	Trust Information
	2 - 5	Report of the Trustees
	6-8	Auditors' report
	9	Statement of financial activities
	10	Balance sheet
	11 - 19	Notes to the financial statements

THE THOMAS WATSON COTTAGE HOMES

6A The Hall
Leecroft Road
Barnet
Herts EN5 2TJ

REFERENCE AND ADMINISTRATIVE INFORMATION

CHARITY NUMBER: 206515

TRUSTEES: Mrs. J.S. Harrold (Chairman)
Mrs. S.H. Housden
Mr. R.W. Peart
Mrs V. E. Corrigan
Mr D. L. Kay
Mrs C.L. Corbett
Mrs S.K. Mallon
Mr J W Coates (resigned 25.1.24)
Mr A K Edrupt (appointed 25.1.24)
Mr S C de Galleani (appointed 25.1.24)

CLERK TO THE TRUSTEES: Mr W.J. Alford (resigned from 31.3.24)
Mrs J Scott (appointed 5.2.24)

FINANCE MANAGER: Mrs. M.P. Dye

SHELTERED HOUSING MANAGER Mrs. S.E. Baker

SOLICITORS: Wedlake Bell LLP
71 Queen Victoria Street
London
EC4V 4AY

AUDITORS: RPG Crouch Chapman LLP
40 Gracechurch Street
London
EC3V 0BT

BANKERS: CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

THE THOMAS WATSON COTTAGE HOMES

REPORT OF THE TRUSTEES

The Trustees present their report and the audited financial statements for the year ended 31st December 2023. These have been prepared in accordance with the Statement of Recommended Practice issued applicable to charities preparing their accounts in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and Charities Act 2011 and the Charity's governing documents.

TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles 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 Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Charity was established on 25th November 1913 and in 1980 combined with the Charity of Annie Lucy Watson established by Will on 2nd March, 1937. The Charity is regulated by a scheme of the Charity Commissioners of 15th August 1980 as affected by the Scheme of the Commissioners of 26th October 1987 (Authority to sell land), and as varied by the provisions of the Schemes dated 24th June 1991 (to establish a Cyclical Maintenance Fund and extend qualification to spouses), 10th June 1992 (authority for expenditure of £145,000 on refurbishment of cottages, subject to direction to recoup over 15 years), 25th January 1996 (authority for expenditure of £600,000 towards construction of at least 10 flats subject to direction to recoup over 60 years) and supplemental order, dated 8th September 1996 (authority to expend a further £50,000 on construction of a further flat), and 18th February 2010 (authority for expenditure of not more than £1,300,000 towards construction of further eight housing units subject to direction to recoup over 60 years).

THE THOMAS WATSON COTTAGE HOMES

REPORT OF THE TRUSTEES

- continued

Trustees

The Trustees appointed to TWCH show a balance of skills in order to run this charity effectively. At the year end, there are four trustees who are directly related to the Founders, three others who are former employees of NFC and one who is a local resident. Their expertise covers Property and Planning, Finance and Welfare.

There are no outside parties who can appoint trustees for the Thomas Watson Cottage Homes.

Each trustee is appointed for a term of five years by a resolution of the existing trustees and may be reappointed at the end of such term.

All new trustees are given a copy of the Residents' Handbook, full details on the running of the Charity and guidelines from the Charity Commission for this scheme. Any other opportunities for training are also considered.

Structure of Organisation

The Trustees met four times during the year in person and three times remotely via zoom.

- To review the finances of the Charity.
- To consider on-going requirements for the maintenance and upkeep of the individual housing units and for the estate in general.
- To determine action required in relation to future developments on the estate.
- To receive reports from the Clerk on the health and well-being of residents and other matters relating to the running of the Charity, including Housing Benefit.

There were sub-committee meetings during the year as required.

The day-to-day administrative activities were carried out by the Clerk to the Trustees, with assistance from the Sheltered Housing Manager and the Finance Manager.

Statement of Risk Management

The Trustees have considered the risks to which The Thomas Watson Cottage Homes are exposed. These risks are mitigated by:

- A Board of Trustees with the necessary experience and competence to ensure the successful running of the Charity;
- Regular Trustees' meetings with effective reporting to ensure proper review of operations;
- Maintenance of a sufficient reserve to implement an effective relocation programme in the event of a disaster affecting the habitability of the accommodation;
- Other financial risks have been addressed by insurance.

THE THOMAS WATSON COTTAGE HOMES

REPORT OF THE TRUSTEES

- continued

CHARITY OBJECTIVES AND ACTIVITIES

The Objective is to run Almshouses for the benefit of the following persons. They shall be aged or poor persons of the following classes and their spouses or widows in the following order of priority:

- Former employees of Sutton and Company, Sutton and Company Limited and Sutton and Company (Manchester) Limited;
- Employees or former employees of any successor company of the said companies or any company of NFC plc;
- Employees or former employees of any person, firm, company or undertaking engaged in the business of carrying freight;
- Employees or former employees of any other carrier of freight.

Provided that when selecting residents in all the above classes preference shall be given to such persons who have been employed as above mentioned for the longest period.

NFC plc changed its name to EXEL plc and then merged with Ocean Group plc. This group now forms part of DHL which in turn is owned by Deutsche Post AG. The Charity Commission advise that this does not require a change in the Scheme of the Charity.

Subject to the expenses of Management, transfers to a Cyclical Maintenance Fund and an Extraordinary Repair Fund, the Trustees shall apply the income of the charity for the benefit of the residents in the Almshouses of the Charity or any of them in such manner as the Trustees think fit from time to time.

The Trustees confirm that the Charity Commission's general guidance on public benefit has been considered in relation to the objectives of the Charity. The report sets out those objectives and describes how they have been met in the current year.

The only volunteers are the Trustees.

The Charity does not engage in fundraising activities.

ACHIEVEMENTS AND PERFORMANCE

In 2023 we had 98% occupancy with only one vacancy occurring during the year and that remains vacant awaiting refurbishment. One flat in Colgate Court continues to be used as a guest flat and for other facilities for the benefit of the residents.

Our staff have provided excellent care and support to our residents and assistance to the Trustees.

An outing on the River Lea was held for residents in July and afternoon teas were held to celebrate the King's Coronation and Christmas.

Two cottages have suffered subsidence and are awaiting rectification under the insurance policy.

Following a quinquennial inspection of Jubilee Cottages carried out in 2022 the remainder of the remedial work was completed in 2023.

FINANCIAL REVIEW

The Trustees have considered reserves required as part of their assessment of risk and also taken into account the annual requirement to transfer recoupment funds to the Endowment Fund. This year the amount transferred was £10,832 for Colgate Court and £21,664 for the new cottages.

THE THOMAS WATSON COTTAGE HOMES

REPORT OF THE TRUSTEES

- continued

FINANCIAL REVIEW (continued)

It is the Trustees policy to maintain a balance on general reserves which equates to at least 6 months general expenditure. The balance at the year end was £183,858 which exceeds this target.

Having assessed the Charity's financial circumstances the Trustees have a reasonable expectation that the Charity has adequate resources to continue its operations for the foreseeable future.

The principal funding source is Weekly Maintenance contributions from the Cottages and Flats.

The average contribution per unit of occupied accommodation was £9,052 per annum. Residents of 9 units received Housing Benefit during the year. Weekly Maintenance Contributions were increased from April 2023 by approximately 5.5%, with a further increase in October of 5%.

The Charity does not rely on voluntary work nor does it receive any gifts in kind. The Finance sub-committee recommends the investment policy, which is ratified at the full quarterly Trustee meetings.

The balance of Recoupment funds continue to be held in Deposit Accounts and investments. The equity market has fluctuated during the year and the investments held throughout the year increased in value by a net total of £180,531, with unrealised gains of that amount, and no unrealised losses.

The investment policy of the Charity is to mitigate its risk by having a spread of investment funds, with review by the Trustees on a quarterly basis. The Charity's policy on reserves is determined by the various Charity Commission Orders on an ongoing concern basis. The Charity aims to break even from its operations on the General Fund year on year.

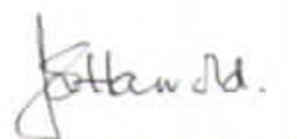
In response to applications to the Charity Commission, they have approved the use of a portion of the Endowment Fund if required to cover any abnormal remedial and associated costs in relation to the embankment behind 15-17 Jubilee Cottages.

PLANS FOR THE FUTURE

Future quinquennial inspections will take place on a rotation basis between the original cottages, Colgate Court and Jubilee Cottages. The next scheduled quinquennial inspection is of the original cottages and the hall which will be carried out in 2024.

The significant construction work required to secure and stabilise the embankment to the rear of 15-17 Jubilee Cottages is scheduled to be undertaken during the first half of 2024 in accordance with Engineers designs and contractors tenders finalised during the latter quarter of 2023.

Thomas Watson Cottage Homes
Leecroft Road
Barnet
Herts EN5 2TJ


CHAIRMAN

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE THOMAS WATSON COTTAGE HOMES

We have audited the financial statements of The Thomas Watson Cottage Homes for the year ended 31st December 2023 as set out on pages 9 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1st April 2005 which is referred to in the extant regulations but has been withdrawn.

This had been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1st January 2015

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 Charity's Trustees those matters we are required to state to them in an Auditors' 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 Trustees as a body, for our audit work, for this report or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st December 2020 and of its incoming resources and application of resources, including 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 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 of our report. We are independent of the Charity in accordance with ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 authorized for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE THOMAS WATSON COTTAGE HOMES (continued)

In our evaluation of the trustees' conclusions, we considered the risks associated with the charity's business model, including the effects arising from macro-economic uncertainties such as COVID-19 and analysed how those risks might affect the charity's financial resources or ability to continue operations over the period of twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charity will continue in operation.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 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 financial statements 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.

Capability of the audit to detect irregularities including fraud

We gained an understanding of the legal and regulatory framework applicable to the charity and the industry in which it operates, and considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, compliance with Companies Act 2006, the Charities Act 2011 and FRS102.

We designed audit procedures to respond to the risk, recognising that 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.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- review of minutes of board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in the audit procedures described above and the further removed noncompliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of

material misstatement due to fraud.

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE THOMAS WATSON COTTAGE HOMES (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 financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, set out on page 2, the Trustees are responsible for 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 the 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's or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 145 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 assurances about whether the financial statements 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 assurance, but it is not a guarantee that an audit concluded in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatement 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. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.

RPG CROUCH CHAPMAN LLP
Chartered Accountants
Statutory Auditor
40 Gracechurch Street
London EC3V 0BT



Date: 01/05/2024

RPG Crouch Chapman LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

THE THOMAS WATSON COTTAGE HOMES
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST DECEMBER 2023

	Notes	INCOME FUNDS.....\			CAPITAL FUND			TOTAL 2023	TOTAL 2022
		General Fund £	Cyclical Maintenance Fund £	Extra-ordinary Repair Fund £	Endowment Fund £	General Fund £	Cyclical Maintenance Fund £	Extra-ordinary Repair Fund £	Endowment Fund £
Income from:									
Charitable Activities:									
Weekly maintenance contributions and Housing Benefit		263,019				254,297			254,297
Bank and Deposit Interest		9,550				2,167			2,167
Activity for generating funds:									
Investment Income	6	71,598				69,037			69,037
Donation		50				0			0
Wayleaves		2				2			2
Total Income		344,219	0	0	-	325,503	0	0	-
Expenditure on:									
Charitable activities									
Maintenance of Site properties	3	124,163	14,646	80,813	92,994	109,671	22,250	21,993	101,671
Warden's costs and Residents Amenities	4	48,883				54,418			54,418
Other Running Costs	5	44,587				41,267			41,267
Total Expenditure		217,633	14,646	80,813	92,994	205,356	22,250	21,993	101,671
Net Income/(expenditure) before transfers		126,586	(14,646)	(80,813)	(92,994)	120,147	(22,250)	(21,993)	(101,671)
Transfer between funds:									
Recoupment	7	(32,496)			32,496	(32,496)			32,496
Extraordinary Repair Fund	11	(60,000)		60,000		(35,000)		35,000	0
Cyclical Maintenance Fund	12	(15,000)	15,000			(31,200)	31,200		0
Other Recognised gains/(losses)		19,090	354	(20,813)	(60,498)	21,451	8,950	13,007	(69,175)
Gains/(Losses) on Investment Assets		4,331			176,200	(3,417)			(262,026)
Net Movement of Funds		23,421	354	(20,813)	115,702	18,034	8,950	13,007	(331,201)
Reconciliation of Funds									
Total Funds brought forward at 1.1.23		160,437	69,152	82,115	4,043,938	142,403	60,202	69,108	4,375,139
Total Funds carried forward at 31.12.23		183,858	69,506	61,302	4,159,640	160,437	69,152	82,115	4,043,938

The notes on pages 11 to 19 form part of these accounts

THE THOMAS WATSON COTTAGE HOMES
BALANCE SHEET AT 31ST DECEMBER 2023

INCOME FUNDS

	Notes	General Fund	Cyclical Maintenance Fund	Extra-ordinary Repair Fund	Endowment Fund	TOTAL 2023	General Fund	Cyclical Maintenance Fund	Extra-ordinary Repair Fund	Endowment Fund	TOTAL 2022
FIXED ASSETS											
Investments at Market Value	6	38,899			2,641,786	2,680,685	34,568			2,465,586	2,500,154
Land and Buildings	7	0			1,423,162	1,423,162				1,455,658	1,455,658
TOTAL FIXED ASSETS		38,899	-	-	4,064,948	4,103,847	34,568	-	-	3,921,244	3,955,812
CURRENT ASSETS											
Debtors	8	34,301				34,301	27,423		1,792		29,215
Cash and Cash Equivalents	9	141,744	69,506	61,302	94,692	367,244	120,112	69,152	97,063	122,694	409,021
		176,045	69,506	61,302	94,692	401,545	147,535	69,152	98,855	122,694	438,236
LIABILITIES											
Amounts falling due within 1 yr	10	(31,086)				(31,086)	(21,666)		(16,740)		(38,406)
NET CURRENT ASSETS		144,959	69,506	61,302	94,692	370,459	125,869	69,152	82,115	122,694	399,830
TOTAL NET ASSETS		183,858	69,506	61,302	4,159,640	4,474,306	160,437	69,152	82,115	4,043,938	4,355,642

FUNDS OF CHARITY

CAPITAL FUNDS											
Endowment	13				4,159,640	4,159,640				4,043,938	4,043,938

INCOME FUNDS

Unrestricted Funds:											
General	14	183,858				183,858	160,437				160,437
Designated Funds:											
Cyclical Maintenance	12		69,506			69,506		69,152			69,152
Designated Funds:											
Extraordinary Repair Fund	11			61,302		61,302			82,115		82,115
		183,858	69,506	61,302	4,159,640	4,474,306	160,437	69,152	82,115	4,043,938	4,355,642

Approved by the Trustees on 25th April 2023 and signed on their behalf by

Jonathan
TRUSTEE

R.W. Kent
TRUSTEE

The notes on pages 11 to 19 form part of these accounts

1. ACCOUNTING POLICIES

Basis of Preparation of Financial Statements

The financial statements 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 have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have therefore departed from the Charities (Accounts and Reports) Regulations 2008. This departure has involved following the Charities SORP (FRS 102) as stated above, rather than the Accounting and Reporting by Charities Statement of Recommended Practice effective from 1st April 2005 which has since been withdrawn.

The Thomas Watson Cottages Homes constitutes a public benefit entity as defined by FRS 102.

The reporting currency is GBP and all amounts have been rounded to the nearest £.

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been allocated by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Designated funds are represented by the Cyclical Maintenance Fund and the Extraordinary Repair Fund which were set up to be used against the regular upkeep and maintenance of the properties.

The Endowment Fund represents the endowment made by the daughters of Thomas Watson for the primary purpose of the charity.

Investment income, gains and losses are allocated to the appropriate fund.

Revaluation of Fixed Asset Investments

In accordance with the SORP, investments of the Charity have been revalued at the balance sheet date. The value shown in the accounts is the mid-market price.

Land held by the Charity with no prospect of development or sale has not been revalued.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income. There was no deferred grant or similar income at 31st December 2023.

NOTES TO THE FINANCIAL STATEMENTS

- continued

1. ACCOUNTING POLICIES (continued)

Resources Expended

Resources expended are accounted for on an accruals basis. It is the policy of the Trustees not to capitalise new office equipment costing less than £5,000.

All resources expended are inclusive of irrecoverable VAT, which is charged against the expense to which it relates.

During the year, the charity incurred a surplus of £116,107 after devaluation of investments (2022: deficit of £291,210), which translates to a deficit of £64,424 (2022 deficit of £25,767) before devaluation of investments.

The Trustees consider The Thomas Watson Cottage Homes a going concern for the foreseeable future, this being at least 12 months from the date the balance sheet was signed. This is due to the considerable endowment held by the charity, which generates income. The weekly maintenance contributions paid by the residents represent ca. 90% of market rent, and it can be expected that a similar level of income can be achieved in that regard in the next year. The Trustees budget for 5% of the properties being vacant during the year, which would not cause the charity any financial hardship, however, historically this event has never occurred.

Additionally, the charity holds a large investment portfolio which generates ca. 20% of its income. It is split between equity and treasury stock to reduce risk while still being able to generate good returns.

Unexpected expenses are unlikely to occur as quinquennial works are carried out on the cottages to ensure that they are in good states of repair, and any issues can be addressed immediately or can be budgeted for.

Cash Flow

The financial statements do not include a cash flow statement because the Charity, as a small reporting entity, is exempt from the requirements to prepare such a statement under the Charities SORP (FRS 102).

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Amortisation

The cost of Colgate Court and Jubilee Cottages is amortised at rates calculated to be in accordance with the recoupment rate set down by the Charity Commission as set out below:

Colgate Court	-over 60 years
Jubilee Cottages	-over 60 years

The Trustees consider the time period for the amortisation appropriate in view of the directions of the Charity Commission in the Schemes dated 25th January 1996 and 16th February 2010.

NOTES TO THE FINANCIAL STATEMENTS

- continued

1. ACCOUNTING POLICIES (continued)

Interest Receivable

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.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Liabilities and provisions

Liabilities 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. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Financial Instruments

With the exception of fixed asset investments, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION

In the application of the Charity's accounting policies, the Trustees may be required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in a period of the revision and future periods if the revision affects both current and future periods.

At the year end date the Trustees had identified the following relevant estimates for which assumptions might be needed in the financial statements:

Amortisation (Recoupment)

The cost of Colgate Court and Jubilee Cottages is amortised at rates calculated to be in accordance with the recoupment rate set down by the Charity Commission (60 years).

Dividends and Interest Income

Official information on interest and dividends receivable for the latter part of the year is usually received after the year end and after the accounts have been prepared, making it necessary to estimate the anticipated interest/ dividend income. Estimates are made based on experience and interest received for previous periods.

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

3 MAINTENANCE OF SITE AND PROPERTIES	2023 £	2022 £
INCOME FUND		
Maintenance and general upkeep	50,437	54,874
Maintenance salaries	31,794	7,358
Landscaping, gardening and grounds	3,083	19,544
Light and heat	15,414	7,253
Rates and Insurance	22,655	20,480
Planning Costs & Other Prof fees	780	162
	<u>124,163</u>	<u>109,671</u>
CYCLICAL MAINTENANCE FUND		
Quinquennial Works & professional fees	<u>14,646</u>	<u>22,250</u>
EXTRA-ORDINARY REPAIR FUND		
Exceptional repair works & Professional fees	<u>80,813</u>	<u>21,993</u>
ENDOWMENT FUND		
Amortisation of Colgate Court	10,832	10,832
Amortisation of Jubilee Cottages	21,664	21,664
Remedial Costs for Jubilee Cottages (see note 13)	60,498	69,175
	<u>92,994</u>	<u>101,671</u>
TOTAL FUNDS	<u>312,616</u>	<u>255,585</u>
4 DIRECT WAGE COSTS & RESIDENTS' AMENITIES	2023	2022
	£	£
Wages and national insurance	37,817	46,354
Alarm system	3,954	-
Residents Amenities & Welfare	7,112	8,064
	<u>48,883</u>	<u>54,418</u>
5 OTHER RUNNING COSTS	2023	2022
	£	£
Clerk's Salary	25,795	24,048
Telephone, Postage and Stationery	1,612	1,727
National Association of Almshouses	413	379
Sundry expenses	326	206
Office Equipment & Computer maintenance	1,199	873
Recruitment & Training	1,172	259
Audit	3,402	3,652
Trustees' expenses	604	448
Financial services	10,064	9,675
Professional fees	-	-
	<u>44,587</u>	<u>41,267</u>

Total salary costs amounted to £95,406 (2022: £77,760) including £3,543 (2022: £1,806) employer's national insurance contributions. Average staff members in the year were 3 (2022: 3)

No Trustee received or waived any remuneration in the year. Trustees expenses relate to the attendance at meetings and associated costs incurred by all trustees.

Key management comprises the Trustees who give their time freely and do not receive any remuneration.

NOTES TO THE FINANCIAL STATEMENTS

- continued

6 INVESTMENTS

	Cost £	Market Value £	Interest/ Dividend £
Endowment Fund			
2.5% IndexLink TSY Stock 2024	196,155	217,084	5,620
4.125% IndexLink TSY Stock 2030	172,025	182,557	6,709
2% IndexLink TSY Stock 2035	149,890	133,518	2,615
C.O.I.F. investment income shares - 58,915.50	750,004	1,524,752	42,408
BLK Charities UK Equity Fund - A	185,106	378,046	12,667
BLK Charities UK Bond Fund - Class A Inc	50,000	38,938	1,579
M&G Charity Multi Asset Fund	25,828	166,891	-
General fund:			
156.85 COIF Accum. Shares (2002: Cost £3,000)	3,000	38,899	-
TOTAL INVESTMENTS	1,532,008	2,680,685	71,598

SUMMARY OF MOVEMENTS IN YEAR

	£
Market value at 1st January 2023	2,500,154
Purchases in the year	-
Sales in the year - proceeds	-
Realised Loss	-
Unrealised gain	180,531
Unrealised losses	0
Market value at 31st December 2023	2,680,685

All investments are UK investments

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

- continued

7 LAND AND BUILDINGS

The Charity owns the freehold to 6.3 acres of land at Chipping Barnet together with 20 cottages and 11 flats, being 30 units of accommodation for residents, and one residents' guest suite.

The land together with the 12 original cottage homes was donated to the Charity by the Founders in 1913. This cost attributed to the original cottages is their 2008 valuation and the Trustees have adopted this figure for the purposes of FRS 102. It will not be subject to further revaluation and the depreciation charged recognises that they have been occupied for charitable purposes for in excess of 60 years, being the period of amortisation adopted as explained below.

On 25th January 1995, the Charity Commissioners authorised the Trustees of the Charity to expend from its permanent endowment not more than £600,000 (increased to £650,000 on 8th September 1995) towards the construction of at least eleven flats. Construction commenced during 1995 and final payments were made during 1998 on contract value of £674,629. The cost in excess of the Charity Commission authorisation has been met from interest earned on the £650,000 during the course of development. The Trustees are required to recoup the sums expended by transfer from income over 60 years. The depreciation method adopted reflects the recoupment period and has therefore been set to write off the cost of buildings over 60 years. As a result, the original cottages are considered fully depreciated and amortisation provisions continue to be made for the flats and jubilee cottages.

On 18th. February 2010, the Charity Commissioners authorised the Trustees of the Charity to expend from its permanent endowment not more than £1,300,000, towards the construction of eight cottages. Work was completed during 2011 and the Trustees will be required to recoup the sum expended by transfer from income over 60 years and this is reflected in the depreciation charge.

The cost of other land represents the expenditure incurred during 2008 in securing the land not considered available for sale. This is considered by the Trustees to be a reasonable estimate of the value of that land.

	Flats	Cottages	Jubilee Cottages	Other Land	Total
	£	£	£	£	£
COST OR VALUATION					
At 1st January 2023	674,629	2,384,226	1,299,717	14,789	4,373,361
Cost during the year					0
At 31st December 2023	674,629	2,384,226	1,299,717	14,789	4,373,361
AMORTISATION					
At 1st January 2023	284,369	2,384,226	249,108		2,917,703
Provision in year	10,832	0	21,664	0	32,496
At 31st December 2023	295,201	2,384,226	270,772	-	2,950,199
NET BOOK VALUE					
At 31st December 2023	379,428	-	1,028,945	14,789	1,423,162
At 31st December 2022	390,260	-	1,050,609	14,789	1,455,658

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

- continued

8 DEBTORS	2023 £	2022 £
Interest accrued on investments	21,777	18,910
Rates and Insurance proportion applicable to 2023	8,510	7,137
WMC and HB Amenity Benefits	1,570	901
Interest receivable	1,187	475
Insurance claim	595	-
	33,639	27,423
Subscription	662	
Prepayment for ERF works	-	1,792
	34,301	29,215
9 CASH AT BANK AND CASH EQUIVALENTS	2023 £	2022 £
Cash at bank	110,542	226,042
Cash equivalents	256,702	182,979
	367,244	409,021
10 CREDITORS	2023 £	2022 £
Amounts falling due within one year:		
Audit and accountancy 2023, including VAT	3,400	3,100
Maintenance provision/Housing benefit in advance	14,517	14,366
Light & Heat & Phone	2,900	763
Rates and Insurance	200	120
Repairs and Maintenance	-	149
HMRC	2,284	1,792
Legal and professional	600	-
Financial & IT services	1,494	1,026
Residents amenities	-	350
Alarm system	484	-
	25,879	21,666
ERF works	-	16,740
Legal fees re Embankment	5,207	-
	31,086	38,406

NOTES TO THE FINANCIAL STATEMENTS

- continued

11 EXTRAORDINARY REPAIR FUND YEAR ENDED 31ST DECEMBER 2023	2023 £	2022 £
Fund at 1st January 2023	82,115	69,108
Transfer in the year	60,000	35,000
Withdrawn/Recouped during the year	(80,813)	(21,993)
Fund at 31st December 2023	61,302	82,115
REPRESENTED BY:		
Various cash deposits	61,302	82,115
12 CYCLICAL MAINTENANCE FUND YEAR ENDED 31ST DECEMBER 2023	2023 £	2022 £
Fund as at 1st January 2023	69,152	60,202
Transfer in the year	15,000	31,200
Expenditure in the year	(14,646)	(22,250)
Fund at 31st December 2023	69,506	69,152
REPRESENTED BY:		
Various cash deposits	69,506	69,152

A specific fund was established in 2001 and is shown separately in accordance with SORP 2015. It is the intention of the Trustees to maintain the fund by regular transfers from the general fund.

13 ENDOWMENT FUND YEAR ENDED 31ST DECEMBER 2023	2023 £	2022 £
Fund as at 1st January 2023	4,043,938	4,375,139
Transfer in the year	32,496	32,496
Recoupment/Depreciation	(32,496)	(32,496)
Expenditure in the year	(60,498)	(69,175)
Gains/Losses on Investment Assets	176,200	(262,026)
Fund at 31st December 2023	4,159,640	4,043,938
REPRESENTED BY:		
Land and Buildings	1,423,162	1,455,658
Investments	2,641,786	2,465,586
Cash deposits	94,692	122,694
	4,159,640	4,043,938

The Charity Commission has approved the use of Endowment Funds to monitor, investigate, effect abnormal and / or emergency repairs to drains and patios, carry out abnormal remedial works including design and supervision and incur independent engineering expert and associated legal costs relating to the movement and subsidence in the embankment to the rear of Nos 15-17 Jubilee Cottages. The accounts include £60,498 of such costs incurred during the year. The Charity Commission has now approved three separate applications, submitted for the use of Endowment Funds for this purpose, in October 2019, August 2022 and December 2023. So far £196,116 has been spent on repairs attributable to the Endowment Fund. As at 31.12.23 the Charity Commission has approved the use of a total of £490,000 for repairs, and the amount spent so far is well within this limit.

NOTES TO THE FINANCIAL STATEMENTS

- continued

14 GENERAL FUND	2023	2022
YEAR ENDED 31ST DECEMBER 2023	£	£
Fund as at 1st January 2023	160,437	142,403
Net Income/Expenditure before transfers	126,586	120,147
Transfers in the year	(107,496)	(98,696)
Gains/(Losses) on Investment Assets	4,331	(3,417)
Fund at 31st December 2023	<u>183,858</u>	<u>160,437</u>
REPRESENTED BY:		
Investments	38,899	34,568
Net current Assets	144,959	125,869
	<u>183,858</u>	<u>160,437</u>

15 RESERVES

As noted in the Risk Assessment section of the Trustees' Report, the principal purpose of the general reserve is to provide for relocation and care of residents in the event of a major incident depriving the Trustees of the use of the residential buildings. The Charity also requires funds to plan for growth and this is specifically assessed from time to time.

16 FINANCIAL INSTRUMENTS

Financial Assets	2023	2022
	£	£
Financial assets measured at fair value through the SOFA	2,680,685	2,500,154
Financial assets measured at fair value through the SOFA comprise investments		

15 RELATED PARTIES

During the year ended 2023, there were no transactions with related parties (2022 none)

Accounts

THE THOMAS WATSON COTTAGE HOMES

REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2022

CONTENTS:

Page	1	Trust Information
	2 - 5	Report of the Trustees
	6-8	Auditors' report
	9	Statement of financial activities
	10	Balance sheet
	11 - 19	Notes to the financial statements

THE THOMAS WATSON COTTAGE HOMES

6A The Hall
Leecroft Road
Barnet
Herts EN5 2TJ

REFERENCE AND ADMINISTRATIVE INFORMATION

CHARITY NUMBER: 206515

TRUSTEES: Mrs. J.S. Harrold (Chairman)
Mrs. S.H. Housden
Mr. R.W. Peart
Mrs V. E. Corrigan
Mr D. L. Kay
Mrs C.L. Corbett
Mrs S.K. Mallon
Mr J W Coates

CLERK TO THE TRUSTEES: Mr W.J. Alford

FINANCE MANAGER: Mrs. M.P. Dye

SHELTERED HOUSING MANAGER Mrs. S.E. Baker

SOLICITORS: Wedlake Bell LLP
71 Queen Victoria Street
London
EC4V 4AY

AUDITORS: RPG Crouch Chapman LLP
14-16 Dowgate Hill
London
EC4R 2SU

BANKERS: CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

THE THOMAS WATSON COTTAGE HOMES

REPORT OF THE TRUSTEES

The Trustees present their report and the audited financial statements for the year ended 31st December 2022. These have been prepared in accordance with the Statement of Recommended Practice issued applicable to charities preparing their accounts in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and Charities Act 2011 and the Charity's governing documents.

TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles 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 Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Charity was established on 25th November 1913 and in 1980 combined with the Charity of Annie Lucy Watson established by Will on 2nd March, 1937. The Charity is regulated by a scheme of the Charity Commissioners of 15th August 1980 as affected by the Scheme of the Commissioners of 26th October 1987 (Authority to sell land), and as varied by the provisions of the Schemes dated 24th June 1991 (to establish a Cyclical Maintenance Fund and extend qualification to spouses), 10th June 1992 (authority for expenditure of £145,000 on refurbishment of cottages, subject to direction to recoup over 15 years), 25th January 1996 (authority for expenditure of £600,000 towards construction of at least 10 flats subject to direction to recoup over 60 years) and supplemental order, dated 8th September 1996 (authority to expend a further £50,000 on construction of a further flat), and 18th February 2010 (authority for expenditure of not more than £1,300,000 towards construction of further eight housing units subject to direction to recoup over 60 years).

THE THOMAS WATSON COTTAGE HOMES

REPORT OF THE TRUSTEES

- continued

Trustees

The Trustees appointed to TWCH show a balance of skills in order to run this charity effectively. At the year end, there are four trustees who are directly related to the Founders, three others who are former employees of NFC and one who is a local resident. Their expertise covers Property and Planning, Finance and Welfare.

There are no outside parties who can appoint trustees for the Thomas Watson Cottage Homes.

Each trustee is appointed for a term of five years by a resolution of the existing trustees and may be reappointed at the end of such term.

All new trustees are given a copy of the Residents' Handbook, full details on the running of the Charity and guidelines from the Charity Commission for this scheme. Any other opportunities for training are also considered.

Structure of Organisation

The Trustees met four times during the year, all in person.

- To review the finances of the Charity.
- To consider on-going requirements for the maintenance and upkeep of the individual housing units and for the estate in general.
- To determine action required in relation to future developments on the estate.
- To receive reports from the Clerk on the health and well-being of residents and other matters relating to the running of the Charity, including Housing Benefit.

There were sub-committee meetings during the year as required.

The day-to-day administrative activities were carried out by the Clerk to the Trustees, with assistance from the Sheltered Housing Manager and the Finance Manager.

Statement of Risk Management

The Trustees have considered the risks to which The Thomas Watson Cottage Homes are exposed. These risks are mitigated by:

- A Board of Trustees with the necessary experience and competence to ensure the successful running of the Charity;
- Regular Trustees' meetings with effective reporting to ensure proper review of operations;
- Maintenance of a sufficient reserve to implement an effective relocation programme in the event of a disaster affecting the habitability of the accommodation;
- Other financial risks have been addressed by insurance.

CHARITY OBJECTIVES AND ACTIVITIES

The Objective is to run Almshouses for the benefit of the following persons. They shall be aged or poor persons of the following classes and their spouses or widows in the following order of priority:

- Former employees of Sutton and Company, Sutton and Company Limited and Sutton and Company (Manchester) Limited;
- Employees or former employees of any successor company of the said companies or any company of NFC plc;
- Employees or former employees of any person, firm, company or undertaking engaged in the business of carrying freight;
- Employees or former employees of any other carrier of freight.

THE THOMAS WATSON COTTAGE HOMES

REPORT OF THE TRUSTEES

- continued

Provided that when selecting residents in all the above classes preference shall be given to such persons who have been employed as above mentioned for the longest period.

NFC plc changed its name to EXEL plc and then merged with Ocean Group plc. This group now forms part of DHL which in turn is owned by Deutsche Post AG. The Charity Commission advise that this does not require a change in the Scheme of the Charity.

Subject to the expenses of Management, transfers to a Cyclical Maintenance Fund and an Extraordinary Repair Fund, the Trustees shall apply the income of the charity for the benefit of the residents in the Almshouses of the Charity or any of them in such manner as the Trustees think fit from time to time.

The Trustees confirm that the Charity Commission's general guidance on public benefit has been considered in relation to the objectives of the Charity. The report sets out those objectives and describes how they have been met in the current year.

The only volunteers are the Trustees.

The Charity does not engage in fundraising activities.

ACHIEVEMENTS AND PERFORMANCE

One vacancy occurred in 2022 and was filled during the year. One flat in Colgate Court continues to be used as a guest flat and for other facilities for the benefit of the residents. Our staff have provided excellent care and support to our residents and assistance to the Trustees.

An outing into and around Central London on a Routemaster bus was held for residents in September. A lunch was held to celebrate the Queen's Platinum Jubilee together with a Christmas lunch and monthly social events.

One Cottage suffered subsidence and in 2022 action was taken to effect repairs. Two other cottages have suffered subsidence and are awaiting rectification under the insurance policy. There was a quinquennial inspection of Jubilee Cottages carried out in 2022. Some of the remedial work was carried out in 2022 with the remainder to be completed in 2023. The final remedial work to the Colgate Court following the quinquennial inspection in 2021 was carried out in 2022.

FINANCIAL REVIEW

The Trustees have considered reserves required as part of their assessment of risk and also taken into account the annual requirement to transfer recoupment funds to the Endowment Fund. This year the amount transferred was £10,832 for Colgate Court and £21,664 for the new cottages.

It is the Trustees policy to maintain a balance on general reserves which equates to at least 6 months general expenditure. The balance at the year end was £160,437 which exceeds this target.

Having assessed the Charity's financial circumstances the Trustees have a reasonable expectation that the Charity has adequate resources to continue its operations for the foreseeable future.

The principal funding source is Weekly Maintenance contributions from the Cottages and Flats.

THE THOMAS WATSON COTTAGE HOMES

REPORT OF THE TRUSTEES

- continued

The average contribution per unit of occupied accommodation was £8,756 per annum. Residents of 9 units received Housing Benefit during the year. Weekly Maintenance Contributions were increased from April 2022 by approximately 3.5%.

The Charity does not rely on voluntary work nor does it receive any gifts in kind. The Finance sub-committee recommends the investment policy, which is ratified at the full quarterly Trustee meetings.

The balance of Recoupment funds continue to be held in Deposit Accounts and investments. The equity market has fluctuated during the year and the investments held throughout the year decreased in value by a net total of £265,443, with unrealised gains of £5,993 and an unrealised loss of £271,436.

The investment policy of the Charity is to mitigate its risk by having a spread of investment funds, with review by the Trustees on a quarterly basis. The Charity's policy on reserves is determined by the various Charity Commission Orders on an ongoing concern basis. The Charity aims to break even from its operations on the General Fund year on year.

In response to an application to the Charity Commission, the Charity has received approval to use a portion of the Endowment Fund, if required, to cover any abnormal investigation, remedial and associated costs in relation to movement of the embankment behind 15-17 Jubilee cottages. In relation to this and further to the £66,444 expended up until 31st December 2021, a further £69,175 was expended during the year. The Charity has now taken legal advice regarding claims against the appropriate third party to recover such costs.

PLANS FOR THE FUTURE

Future quinquennial inspections will take place on a rotation basis between the original cottages, Colgate Court and Jubilee Cottages. The next scheduled quinquennial inspection is of the original cottages and the hall which will be carried out in 2024.

The Charity believes that remedial work to stabilise the embankment behind 15-17 Jubilee Cottages must be completed without delay. Accordingly, work is expected to commence during 2023, in line with the preferred remedial solution. The objective will be to conduct this necessary work with the minimum of disruption to residents.

Thomas Watson Cottage Homes
Leecroft Road
Barnet
Herts EN5 2TJ


CHAIRMAN

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE THOMAS WATSON COTTAGE HOMES

We have audited the financial statements of The Thomas Watson Cottage Homes for the year ended 31st December 2021 as set out on pages 9 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1st April 2005 which is referred to in the extant regulations but has been withdrawn.

This had been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1st January 2015

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 Charity's Trustees those matters we are required to state to them in an Auditors' 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 Trustees as a body, for our audit work, for this report or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st December 2020 and of its incoming resources and application of resources, including 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 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 of our report. We are independent of the Charity in accordance with ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 authorized for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE THOMAS WATSON COTTAGE HOMES (continued)

In our evaluation of the trustees' conclusions, we considered the risks associated with the charity's business model, including the effects arising from macro-economic uncertainties such as COVID-19 and analysed how those risks might affect the charity's financial resources or ability to continue operations over the period of twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charity will continue in operation.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 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 financial statements 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.

Capability of the audit to detect irregularities including fraud

We gained an understanding of the legal and regulatory framework applicable to the charity and the industry in which it operates, and considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, compliance with Companies Act 2006, the Charities Act 2011 and FRS102.

We designed audit procedures to respond to the risk, recognising that 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.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- review of minutes of board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in the audit procedures described above and the further removed noncompliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE THOMAS WATSON COTTAGE HOMES (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 financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, set out on page 2, the Trustees are responsible for 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 the 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's or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 145 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 assurances about whether the financial statements 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 assurance, but it is not a guarantee that an audit concluded in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatement 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. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.


RPG CROUCH CHAPMAN LLP
Chartered Accountants
Statutory Auditor
14-16 Dowgate Hill
London EC4R 2SU

Date: 16/05/2023

RPG Crouch Chapman LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

THE THOMAS WATSON COTTAGE HOMES
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST DECEMBER 2022

	Notes	INCOME FUNDS			CAPITAL FUND			INCOME FUNDS			CAPITAL FUND			TOTAL 2021 £
		General Fund £	Cyclical Maintenance Fund £	Extra-ordinary Repair Fund £	Endowment Fund £	TOTAL 2022 £		General Fund £	Cyclical Maintenance Fund £	Extra-ordinary Repair Fund £	Endowment Fund £	TOTAL 2021 £		
Income from:														
Charitable Activities														
Weekly maintenance contributions and Housing Benefit		254,297				254,297		240,858				240,858		240,858
Bank and Deposit Interest		2,167				2,167		1,059				1,059		1,059
Activity for generating funds														
Investment Income	6	69,037				69,037		64,391				64,391		64,391
Donation		0				0		1,000				1,000		1,000
Wayleaves		2				2		2				2		2
Total Income		325,503	0	0	-	325,503		307,308	0	0	-	307,308		307,308
Expenditure on:														
Charitable activities														
Maintenance of Site properties	3	109,671	22,250	21,993	101,671	255,585		100,017	840	(8,417)	98,940	191,380		191,380
Warden's costs and Residents Amenities	4	54,416				54,416		50,762				50,762		50,762
Other Running Costs	5	41,267				41,267		39,726				39,726		39,726
Total Expenditure		205,354	22,250	21,993	101,671	351,270		190,505	840	(8,417)	98,940	281,068		281,068
Net income/(expenditure) before transfers		120,147	(22,250)	(21,993)	(101,671)	(25,767)		116,803	(840)	8,417	(98,940)	25,440		25,440
Transfer between funds:														
Recompment	7	(32,496)			32,496	-		(32,496)			32,496	0		0
Extraordinary Repair Fund	11	(35,000)		35,000		-		(40,000)		40,000		0		0
Cyclical Maintenance Fund	12	(31,200)	31,200			-		(30,000)	30,000			0		0
Other Recognised gains/(losses)		21,451	8,950	13,007	(69,175)	(25,767)		14,307	29,160	48,417	(66,444.00)	25,440		25,440
Gains/(Losses) on Investment Assets		(3,417)			(262,026)	(265,443)		5,644			260,102	265,746		265,746
Net Movement of Funds		18,034	8,950	13,007	(331,201)	(291,210)		19,951	29,160	48,417	193,658	291,186		291,186
Reconciliation of Funds														
Total Funds brought forward at 1.1.22		142,403	60,202	69,106	4,375,139	4,646,852		122,452	31,042	20,691	4,181,481	4,355,666		4,355,666
Total Funds carried forward at 31.12.22		160,437	69,152	82,115	4,043,938	4,355,642		142,403	60,202	69,108	4,375,139	4,646,852		4,646,852

THE THOMAS WATSON COTTAGE HOMES
BALANCE SHEET AT 31ST DECEMBER 2022

INCOME FUNDS

	Notes	General Fund	Cyclical Maintenance Fund	Extra-ordinary Repair Fund	Endowment Fund	TOTAL 2022	General Fund	Cyclical Maintenance Fund	Extra-ordinary Repair Fund	Endowment Fund	TOTAL 2021
		£	£	£	£	£	£	£	£	£	£
FIXED ASSETS											
Investments at Market Value	6	34,558			2,465,595	2,500,154	37,985			2,727,612	2,765,597
Land and Buildings	7				1,455,658	1,455,658				1,488,154	1,488,154
TOTAL FIXED ASSETS		34,558			3,921,244	3,955,812	37,985			4,215,766	4,253,751
CURRENT ASSETS											
Debtors	8	27,423		1,792		29,215	23,888				23,888
Cash at Bank	9	120,112	69,152	97,063	122,694	409,021	109,274	60,202	69,108	159,373	397,957
		147,535	69,152	98,855	122,694	438,236	133,162	60,202	69,108	159,373	421,845
LIABILITIES											
Amounts falling due within 1 yr	10	(21,696)		(16,740)		(38,436)	(28,744)				(28,744)
NET CURRENT ASSETS		125,839	69,152	82,115	122,694	399,830	104,418	60,202	69,108	159,373	393,101
TOTAL NET ASSETS		160,437	69,152	82,115	4,043,938	4,355,642	142,403	60,202	69,108	4,375,139	4,646,852
FUNDS OF CHARITY											
CAPITAL FUNDS											
Endowment	13				4,043,938	4,043,938				4,375,139	4,375,139
INCOME FUNDS											
Unrestricted Funds											
General	14	160,437				160,437	142,403				142,403
Designated Funds											
Cyclical Maintenance	12		69,152			69,152		60,202			60,202
Restricted Fund:											
Extraordinary Repair Fund	11			82,115		82,115			69,108		69,108
		160,437	69,152	82,115	4,043,938	4,355,642	142,403	60,202	69,108	4,375,139	4,646,852

Approved by the Trustees on 4th May 2023 and signed on their behalf by

TRUSTEE

TRUSTEE

The notes on pages 11 to 19 form part of these accounts

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2022

1. ACCOUNTING POLICIES

Basis of Preparation of Financial Statements

The financial statements 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 have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have therefore departed from the Charities (Accounts and Reports) Regulations 2008. This departure has involved following the Charities SORP (FRS 102) as stated above, rather than the Accounting and Reporting by Charities Statement of Recommended Practice effective from 1st April 2005 which has since been withdrawn.

The Thomas Watson Cottages Homes constitutes a public benefit entity as defined by FRS 102.

The reporting currency is GBP and all amounts have been rounded to the nearest £.

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been allocated by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Designated funds are represented by the Cyclical Maintenance Fund and the Extraordinary Repair Fund which were set up to be used against the regular upkeep and maintenance of the properties.

The Endowment Fund represents the endowment made by the daughters of Thomas Watson for the primary purpose of the charity.

Investment income, gains and losses are allocated to the appropriate fund.

Revaluation of Fixed Asset Investments

In accordance with the SORP, investments of the Charity have been revalued at the balance sheet date. The value shown in the accounts is the mid-market price.

Land held by the Charity with no prospect of development or sale has not been revalued.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income. There was no deferred grant or similar income at 31st December 2022.

NOTES TO THE FINANCIAL STATEMENTS

- continued

1. ACCOUNTING POLICIES (continued)

Resources Expended

Resources expended are accounted for on an accruals basis. It is the policy of the Trustees not to capitalise new office equipment costing less than £5,000.

All resources expended are inclusive of irrecoverable VAT, which is charged against the expense to which it relates.

During the year, the charity incurred a deficit of £291,210 after devaluation of investments (2021: surplus of £291,186), which translates to a deficit of £25,767 (surplus of £25,440) before devaluation of investments.

The Trustees consider The Thomas Watson Cottage Homes a going concern for the foreseeable future, this being at least 12 months from the date the balance sheet was signed.

This is due to the considerable endowment held by the charity, which generates income. The weekly maintenance contributions paid by the residents represent ca. 90% of market rent, and it can be expected that a similar level of income can be achieved in that regard in the next year. The Trustees budget for 5% of the properties being vacant during the year, which would not cause the charity any financial hardship, however, historically this event has never occurred.

Additionally, the charity holds a large investment portfolio which generates ca. 20% of its income. It is split between equity and treasury stock to reduce risk while still being able to generate good returns.

Unexpected expenses are unlikely to occur as quinquennial works are carried out on the cottages to ensure that they are in good states of repair, and any issues can be addressed immediately or can be budgeted for.

Cash Flow

The financial statements do not include a cash flow statement because the Charity, as a small reporting entity, is exempt from the requirements to prepare such a statement under the Charities SORP (FRS 102).

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Amortisation

The cost of Colgate Court and Jubilee Cottages is amortised at rates calculated to be in accordance with the recoupment rate set down by the Charity Commission as set out below:

Colgate Court	-over 60 years
Jubilee Cottages	-over 60 years

The Trustees consider the time period for the amortisation appropriate in view of the directions of the Charity Commission in the Schemes dated 25th January 1996 and 16th February 2010.

NOTES TO THE FINANCIAL STATEMENTS

- continued

1. ACCOUNTING POLICIES (continued)

Interest Receivable

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.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Liabilities and provisions

Liabilities 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. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Financial Instruments

With the exception of fixed asset investments, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION

In the application of the Charity's accounting policies, the Trustees may be required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in a period of the revision and future periods if the revision affects both current and future periods.

At the year end date the Trustees had identified the following relevant estimates for which assumptions might be needed in the financial statements:

Amortisation (Recoupment)

The cost of Colgate Court and Jubilee Cottages is amortised at rates calculated to be in accordance with the recoupment rate set down by the Charity Commission (60 years).

Dividends and Interest Income

Official information on interest and dividends receivable for the latter part of the year is usually received after the year end and after the accounts have been prepared, making it necessary to estimate the anticipated interest/ dividend income. Estimates are made based on experience and interest received for previous periods.

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

3 MAINTENANCE OF SITE AND PROPERTIES	2022 £	2021 £
INCOME FUND		
Maintenance and general upkeep	54,874	52,652
Maintenance salaries	7,358	-
Landscaping, gardening and grounds	19,544	18,822
Light and heat	7,253	6,654
Rates and Insurance	20,480	21,389
Planning Costs & Other Prof fees	162	500
	<u>109,671</u>	<u>100,017</u>
CYCLICAL MAINTENANCE FUND		
Quinquennial Works & professional fees	<u>22,250</u>	<u>840</u>
EXTRA-ORDINARY REPAIR FUND		
Exceptional repair works & Professional fees	<u>21,993</u>	<u>(8,417)</u>
ENDOWMENT FUND		
Amortisation of Colgate Court	10,832	10,832
Amortisation of Jubilee Cottages	21,664	21,664
Remedial Costs for Jubilee Cottages (see note 13)	69,175	66,444
	<u>101,671</u>	<u>98,940</u>
TOTAL FUNDS	<u>255,585</u>	<u>191,380</u>
4 DIRECT WAGE COSTS & RESIDENTS' AMENITIES	2022	2021
	£	£
Wages and national insurance	46,354	45,208
Residents Amenities & Welfare	8,064	5,554
	<u>54,418</u>	<u>50,762</u>
5 OTHER RUNNING COSTS	2022	2021
	£	£
Clerk's Salary	24,048	22,774
Telephone, Postage and Stationery	1,727	1,713
National Association of Almshouses	379	375
Sundry expenses	206	1,023
Office Equipment & Computer maintenance	873	169
Recruitment & Training	259	240
Audit	3,652	3,020
Trustees' expenses	448	153
Financial services	9,675	9,299
Professional fees	-	960
	<u>41,267</u>	<u>39,726</u>

Total salary costs amounted to £77,760 (2021: £67,982) including £1,806 (2021: £443) employer's national insurance contributions. Average staff members in the year were 3 (2021: 3)

No Trustee received or waived any remuneration in the year. Trustees expenses relate to the attendance at meetings and associated costs incurred by all trustees.

Key management comprises the Trustees who give their time freely and do not receive any remuneration

NOTES TO THE FINANCIAL STATEMENTS

- continued

6 INVESTMENTS

	Cost £	Market Value £	Interest/ Dividend £
Endowment Fund			
2.5% IndexLink TSY Stock 2024	196,155	213,199	4,993
4.25% IndexLink TSY Stock 2030	172,025	175,302	4,995
2% IndexLink TSY Stock 2035	149,890	128,677	1,930
C.O.I.F. investment income shares - 58,915.50	750,004	1,394,466	42,697
BLK Charities UK Equity Fund - A	185,106	358,301	12,807
BLK Charities UK Bond Fund - Class A Inc	50,000	38,306	1,615
M&G Charity Multi Asset Fund	25,828	157,135	-
General fund:			
156.85 COIF Accum. Shares (2002: Cost £3,000)	3,000	34,568	-
TOTAL INVESTMENTS	1,532,008	2,500,154	69,037

SUMMARY OF MOVEMENTS IN YEAR

	£
Market value at 1st January 2022	2,765,597
Purchases in the year	-
Sales in the year - proceeds	-
Realised Loss	-
Unrealised gain	5,993
Unrealised losses	(271,436)
Market value at 31st December 2022	2,500,154

All investments are UK investments

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

- continued

7 LAND AND BUILDINGS

The Charity owns the freehold to 6.3 acres of land at Chipping Barnet together with 20 cottages and 11 flats, being 30 units of accommodation for residents, and one residents' guest suite.

The land together with the 12 original cottage homes was donated to the Charity by the Founders in 1913. This cost attributed to the original cottages is their 2008 valuation and the Trustees have adopted this figure for the purposes of FRS 102. It will not be subject to further revaluation and the depreciation charged recognises that they have been occupied for charitable purposes for in excess of 60 years, being the period of amortisation adopted as explained below.

On 25th January 1995, the Charity Commissioners authorised the Trustees of the Charity to expend from its permanent endowment not more than £600,000 (increased to £650,000 on 8th September 1995) towards the construction of at least eleven flats. Construction commenced during 1995 and final payments were made during 1998 on contract value of £674,629. The cost in excess of the Charity Commission authorisation has been met from interest earned on the £650,000 during the course of development. The Trustees are required to recoup the sums expended by transfer from income over 60 years. The depreciation method adopted reflects the recoupment period and has therefore been set to write off the cost of buildings over 60 years. As a result, the original cottages are considered fully depreciated and amortisation provisions continue to be made for the flats and jubilee cottages.

On 18th. February 2010, the Charity Commissioners authorised the Trustees of the Charity to expend from its permanent endowment not more than £1,300,000, towards the construction of eight cottages. Work was completed during 2011 and the Trustees will be required to recoup the sum expended by transfer from income over 60 years and this is reflected in the depreciation charge.

The cost of other land represents the expenditure incurred during 2008 in securing the land not considered available for sale. This is considered by the Trustees to be a reasonable estimate of the value of that land.

	Flats	Cottages	Jubilee Cottages	Other Land	Total
	£	£	£	£	£
COST OR VALUATION					
At 1st January 2022	674,629	2,384,226	1,299,717	14,789	4,373,361
Cost during the year					0
At 31st December 2022	674,629	2,384,226	1,299,717	14,789	4,373,361
AMORTISATION					
At 1st January 2022	273,537	2,384,226	227,444		2,885,207
Provision in year	10,832	0	21,664	0	32,496
At 31st December 2021	284,369	2,384,226	249,108	-	2,917,703
NET BOOK VALUE					
At 31st December 2022	390,260	-	1,050,609	14,789	1,455,658
At 31st December 2021	401,092	-	1,072,273	14,789	1,488,154

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

- continued

8 DEBTORS	2022 £	2021 £
Interest accrued on investments	18,910	16,530
Rates and Insurance proportion applicable to 2023	7,137	6,662
WMC and HB Amenity Benefits	901	531
Interest receivable	475	165
	27,423	23,888
Prepayment for ERF works	1,792	-
	29,215	23,888
9 CASH AT BANK AND CASH EQUIVALENTS	2022 £	2021 £
Cash at bank	226,041	215,783
Cash equivalents	182,979	182,174
	409,020	397,957
10 CREDITORS	2022 £	2021 £
Amounts falling due within one year:		
Audit and accountancy 2022, including VAT	3,100	3,000
Maintenance provision/Housing benefit in advance	14,366	16,737
Gardening & Grounds	-	1,350
Light & Heat & Phone	763	730
Rates and Insurance	120	170
Repairs and Maintenance	149	3,035
HMRC	1,792	1,383
Legal and professional	-	500
Financial & IT services	1,026	1,179
Residents amenities	350	350
Office Equipment & Sundries	-	310
	21,666	28,744
ERF works	16,740	-
	38,406	28,744

Included in creditors listed above are amounts owed for Extraordinary Maintenance and Repairs for refurbishment of the kitchen and Bathroom of No1 cottage and new boiler in 20 Colgate Court in December 2022. This creditor is allocated to the Extraordinary Repair Fund.

NOTES TO THE FINANCIAL STATEMENTS

- continued

11 EXTRAORDINARY REPAIR FUND YEAR ENDED 31ST DECEMBER 2022	2022 £	2021 £
Fund at 1st January 2022	69,108	20,691
Transfer in the year	35,000	40,000
Withdrawn/Recouped during the year	(21,993)	8,417
Fund at 31st December 2022	82,115	69,108

REPRESENTED BY:

Various cash deposits	82,115	69,108
-----------------------	---------------	---------------

12 CYCLICAL MAINTENANCE FUND YEAR ENDED 31ST DECEMBER 2022	2022 £	2021 £
Fund as at 1st January 2022	60,202	31,042
Transfer in the year	31,200	30,000
Expenditure in the year	(22,250)	(840)
Fund at 31st December 2022	69,152	60,202

REPRESENTED BY:

Various cash deposits	69,152	60,202
-----------------------	---------------	---------------

A specific fund was established in 2001 and is shown separately in accordance with SORP 2015. It is the intention of the Trustees to maintain the fund by regular transfers from the general fund.

13 ENDOWMENT FUND YEAR ENDED 31ST DECEMBER 2022	2022 £	2021 £
Fund as at 1st January 2022	4,375,139	4,181,481
Transfer in the year	32,496	32,496
Expenditure in the year	(101,671)	(98,940)
Gains/Losses on Investment Assets	(262,026)	260,102
Fund at 31st December 2022	4,043,938	4,375,139

REPRESENTED BY:

Land and Buildings	1,455,659	1,488,154
Investments	2,465,586	2,727,612
Cash deposits	122,693	159,373
	4,043,938	4,375,139

On 15th August 2022 the Trustees applied to the Charity Commission for permission to use the Endowment Fund to meet the abnormal remedial costs, including design and supervision, related to the movement and subsidence in the embankment to the rear of Nos 15-17 Jubilee Cottages. The sum applied for also includes further investigation costs, abnormal and/or emergency repairs in 2021 to drains and patios, the costs relating to the securing of the services of an independent engineering expert and associated legal costs. On 5th September 2022 permission was received from the Charity Commission to use a portion of the Endowment Fund for this purpose. This was in addition to a previous permission received on 25th October 2019 for up to £25,000 of the permanent endowment to be spent on monitoring the activity of the same bank of land to the rear of Nos 15-17 Jubilee Cottages. The accounts include a further £69,175 of investigation, remedial and associated costs for Jubilee Cottages under this authorisation.

NOTES TO THE FINANCIAL STATEMENTS

- continued

14 GENERAL FUND	2022	2021
YEAR ENDED 31ST DECEMBER 2022	£	£
Fund as at 1st January 2022	142,403	122,452
Net Income/Expenditure before transfers	120,147	116,803
Transfers in the year	(98,696)	(102,496)
Gains/(Losses) on Investment Assets	(3,417)	5,644
Fund at 31st December 2022	<u>160,437</u>	<u>142,403</u>
REPRESENTED BY:		
Investments	34,568	37,985
Net current Assets	125,869	104,418
	<u>160,437</u>	<u>142,403</u>

15 RESERVES

As noted in the Risk Assessment section of the Trustees' Report, the principal purpose of the general reserve is to provide for relocation and care of residents in the event of a major incident depriving the Trustees of the use of the residential buildings. The Charity also requires funds to plan for growth and this is specifically assessed from time to time.

16 FINANCIAL INSTRUMENTS

Financial Assets	2022	2021
	£	£
Financial assets measured at fair value through the SOFA	2,500,154	2,765,597

Financial assets measured at fair value through the SOFA comprise investments

15 RELATED PARTIES

During the year ended 2022, there were no transactions with related parties (2021 none)

Accounts

THE THOMAS WATSON COTTAGE HOMES

REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2021

CONTENTS:

Page	1	Trust Information
	2 - 5	Report of the Trustees
	6-8	Auditors' report
	9	Statement of financial activities
	10	Balance sheet
	11 - 18	Notes to the financial statements

THE THOMAS WATSON COTTAGE HOMES

6A The Hall
Leecroft Road
Barnet
Herts EN5 2TJ

REFERENCE AND ADMINISTRATIVE INFORMATION

CHARITY NUMBER: 206515

TRUSTEES: Mrs. J.S. Harrold (Chairman)
Mrs. S.H. Housden
Mr. R.W. Peart
Mrs V. E. Corrigan
Mr D. L. Kay
Mrs C.L. Corbett
Mrs S.K. Mallon
Mr J W Coates

CLERK TO THE TRUSTEES: Mr W.J. Alford

FINANCE MANAGER: Mrs. M.P. Dye

SHELTERED HOUSING MANAGER Mrs. S.E. Baker

SOLICITORS: Wedlake Bell
Atrium Court
15 Jockey's Fields
London
WC1R 4QR

AUDITORS: RPG Crouch Chapman LLP
14-16 Dowgate Hill
London
EC4R 2SU

BANKERS: CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

THE THOMAS WATSON COTTAGE HOMES

REPORT OF THE TRUSTEES

The Trustees present their report and the audited financial statements for the year ended 31st December 2021. These have been prepared in accordance with the Statement of Recommended Practice issued applicable to charities preparing their accounts in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and Charities Act 2011 and the Charity's governing documents.

TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles 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 Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Charity was established on 25th November 1913 and in 1980 combined with the Charity of Annie Lucy Watson established by Will on 2nd March, 1937. The Charity is regulated by a scheme of the Charity Commissioners of 15th August 1980 as affected by the Scheme of the Commissioners of 26th October 1987 (Authority to sell land), and as varied by the provisions of the Schemes dated 24th June 1991 (to establish a Cyclical Maintenance Fund and extend qualification to spouses), 10th June 1992 (authority for expenditure of £145,000 on refurbishment of cottages, subject to direction to recoup over 15 years), 25th January 1996 (authority for expenditure of £600,000 towards construction of at least 10 flats subject to direction to recoup over 60 years) and supplemental order, dated 8th September 1996 (authority to expend a further £50,000 on construction of a further flat), and 18th February 2010 (authority for expenditure of not more than £1,300,000 towards construction of further eight housing units subject to direction to recoup over 60 years).

THE THOMAS WATSON COTTAGE HOMES

REPORT OF THE TRUSTEES

- continued

Trustees

The Trustees appointed to TWCH show a balance of skills in order to run this charity effectively. At the year end, there are four trustees who are directly related to the Founders, three others who are former employees of NFC and one who is a local resident. Their expertise covers Property and Planning, Finance and Welfare.

There are no outside parties who can appoint trustees for the Thomas Watson Cottage Homes.

Each trustee is appointed for a term of five years by a resolution of the existing trustees and may be reappointed at the end of such term.

All new trustees are given a copy of the Residents' Handbook, full details on the running of the Charity and guidelines from the Charity Commission for this scheme. Any other opportunities for training are also considered.

Structure of Organisation

The Trustees met four times during the year, once in person and three times by Zoom as a result of the coronavirus pandemic.

- To review the finances of the Charity.
- To consider on-going requirements for the maintenance and upkeep of the individual housing units and for the estate in general.
- To determine action required in relation to future developments on the estate.
- To receive reports from the Clerk on the health and well-being of residents and other matters relating to the running of the Charity, including Housing Benefit.

There were sub-committee meetings during the year as required.

The day-to-day administrative activities were carried out by the Clerk to the Trustees, with assistance from the Sheltered Housing Manager and the Finance Manager.

Statement of Risk Management

The Trustees have considered the risks to which The Thomas Watson Cottage Homes are exposed. These risks are mitigated by:

- A Board of Trustees with the necessary experience and competence to ensure the successful running of the Charity;
- Regular Trustees' meetings with effective reporting to ensure proper review of operations;
- Maintenance of a sufficient reserve to implement an effective relocation programme in the event of a disaster affecting the habitability of the accommodation;
- Other financial risks have been addressed by insurance.

THE THOMAS WATSON COTTAGE HOMES

REPORT OF THE TRUSTEES

- continued

CHARITY OBJECTIVES AND ACTIVITIES

The Objective is to run Almshouses for the benefit of the following persons. They shall be aged or poor persons of the following classes and their spouses or widows in the following order of priority:

- Former employees of Sutton and Company, Sutton and Company Limited and Sutton and Company (Manchester) Limited;
- Employees or former employees of any successor company of the said companies or any company of NFC plc;
- Employees or former employees of any person, firm, company or undertaking engaged in the business of carrying freight;
- Employees or former employees of any other carrier of freight.

Provided that when selecting residents in all the above classes preference shall be given to such persons who have been employed as above mentioned for the longest period.

NFC plc changed its name to EXEL plc and then merged with Ocean Group plc. This group now forms part of DHL which in turn is owned by Deutsche Post AG. The Charity Commission advise that this does not require a change in the Scheme of the Charity.

Subject to the expenses of Management, transfers to a Cyclical Maintenance Fund and an Extraordinary Repair Fund, the Trustees shall apply the income of the charity for the benefit of the residents in the Almshouses of the Charity or any of them in such manner as the Trustees think fit from time to time.

The Trustees confirm that the Charity Commission's general guidance on public benefit has been considered in relation to the objectives of the Charity. The report sets out those objectives and describes how they have been met in the current year.

The only volunteers are the Trustees.

The Charity does not engage in fundraising activities.

ACHIEVEMENTS AND PERFORMANCE

One vacancy occurred in 2021 and was filled during the year. One flat in Colgate Court continues to be used as a guest flat and for other facilities for the benefit of the residents. Our staff have provided excellent care and support to our residents and assistance to the Trustees. The Coronavirus pandemic placed more responsibility on the staff who have all risen to the challenge of keeping the Residents and their families up to date on the restrictions on and off the estate.

Outings and entertainment opportunities have been limited in 2021 due to the pandemic although it was possible to hold an outing to Southend for residents in September. A monthly fish and chip supper and a Christmas lunch have been delivered to residents' homes and have been enjoyed by those who chose to take part.

One Cottage suffered subsidence and in 2021 action was taken to effect repairs. Three other cottages have suffered subsidence and are awaiting rectification under the insurance policy. There was a quinquennial inspection of Colgate Court carried out in 2021. Some of the remedial work was carried out in 2021 with the remainder to be completed in 2022. The final remedial work to the original cottages and the communal hall following the quinquennial inspection in 2019 was carried out in 2021.

THE THOMAS WATSON COTTAGE HOMES

REPORT OF THE TRUSTEES

- continued

FINANCIAL REVIEW

The Trustees have considered reserves required as part of their assessment of risk and also taken into account the annual requirement to transfer recoupment funds to the Endowment Fund. This year the amount transferred was £10,832 for Colgate Court and £21,664 for the new cottages.

It is the Trustees policy to maintain a balance on general reserves which equates to at least 6 months general expenditure. The balance at the year end was £142,403 which exceeds this target.

Having assessed the Charity's financial circumstances the Trustees have a reasonable expectation that the Charity has adequate resources to continue its operations for the foreseeable future.

The principal funding source is Weekly Maintenance contributions from the Cottages and Flats.

The average contribution per unit of occupied accommodation was £8,292 per annum. Residents of 9 units received Housing Benefit during the year. Weekly Maintenance Contributions were increased from April 2021 by approximately 2.5%.

The Charity does not rely on voluntary work nor does it receive any gifts in kind. The Finance sub-committee recommends the investment policy, which is ratified at the full quarterly Trustee meetings.

The balance of Recoupment funds continue to be held in Deposit Accounts and investments. The equity market has fluctuated during the year and the investments held throughout the year increased in value by a net total of £265,746, with total gains of £269,237 and an unrealised loss of £3,491.

The investment policy of the Charity is to mitigate its risk by having a spread of investment funds, with review by the Trustees on a quarterly basis. The Charity's policy on reserves is determined by the various Charity Commission Orders on an ongoing concern basis. The Charity aims to break even from its operations on the General Fund year on year.

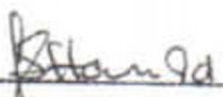
In response to an application to the Charity Commission, they have approved the use of a portion of the Endowment Fund if required to cover any abnormal remedial costs in relation to bank behind 5-17 Jubilee Cottages.

PLANS FOR THE FUTURE

Future quinquennial inspections will take place on a rotation basis between the original cottages, Colgate Court and Jubilee Cottages. The next quinquennial inspection of Jubilee Cottages will be carried out in 2022.

Thomas Watson Cottage Homes
Leecroft Road
Barnet
Herts EN5 2TJ

20/10/2022


CHAIRMAN

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE THOMAS WATSON COTTAGE HOMES

We have audited the financial statements of The Thomas Watson Cottage Homes for the year ended 31st December 2021 as set out on pages 9 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1st April 2005 which is referred to in the extant regulations but has been withdrawn.

This had been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1st January 2015

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 Charity's Trustees those matters we are required to state to them in an Auditors' 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 Trustees as a body, for our audit work, for this report or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st December 2020 and of its incoming resources and application of resources, including 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 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 of our report. We are independent of the Charity in accordance with ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 authorized for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE THOMAS WATSON COTTAGE HOMES (continued)

In our evaluation of the trustees' conclusions, we considered the risks associated with the charity's business model, including the effects arising from macro-economic uncertainties such as COVID-19 and analysed how those risks might affect the charity's financial resources or ability to continue operations over the period of twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charity will continue in operation.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 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 financial statements 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.

Capability of the audit to detect irregularities including fraud

We gained an understanding of the legal and regulatory framework applicable to the charity and the industry in which it operates, and considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, compliance with Companies Act 2006, the Charities Act 2011 and FRS102.

We designed audit procedures to respond to the risk, recognising that 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.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- review of minutes of board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in the audit procedures described above and the further removed noncompliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of

material misstatement due to fraud.
INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE THOMAS WATSON COTTAGE HOMES (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 financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, set out on page 2, the Trustees are responsible for 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 the 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's or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 145 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 assurances about whether the financial statements 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 assurance, but it is not a guarantee that an audit concluded in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatement 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.

RPG CROUCH CHAPMAN LLP
Chartered Accountants
Statutory Auditor
14-16 Dowgate Hill
London EC4R 2SU



Date: 21/10/22

RPG Crouch Chapman LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

THE THOMAS WATSON COTTAGE HOMES
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST DECEMBER 2021

	Notes	INCOME FUNDS			CAPITAL FUND			INCOME FUNDS			CAPITAL FUND			TOTAL 2020		
		General Fund	Cyclical Maintenance Fund	Extra-ordinary Repair Fund	Endowment Fund	TOTAL 2021	General Fund	Cyclical Maintenance Fund	Extra-ordinary Repair Fund	Endowment Fund	TOTAL 2020	General Fund	Cyclical Maintenance Fund	Extra-ordinary Repair Fund	Endowment Fund	TOTAL 2020
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Income from:																
Charitable Activities:																
Weekly maintenance contributions and Housing Benefit		240,856				240,856						234,468				234,468
Bank and Deposit Interest		1,059				1,059						1,958				1,958
Activity for generating funds:																
Investment Income	6	64,391				64,391						59,878				59,878
Donation		1,000				1,000									0	
Wayleaves		2				2						2			2	
Total Income		307,308	0	0	-	307,308						296,306	0	0	-	296,306
Expenditure on:																
Charitable activities																
Maintenance of Site properties	3	100,017	840	(8,417)	98,940	191,380						90,473	15,044	31,878	32,496	169,891
Warden's costs and Residents Am	4	50,762				50,762						45,868				45,868
Other Running Costs	5	39,726				39,726						43,721				43,721
Total Expenditure		190,505	840	(8,417)	98,940	281,868						179,880	15,044	31,878	32,496	259,298
Net Income/(expenditure) before transfers		116,803	(840)	8,417	(98,940)	25,440						116,428	(15,044)	(31,878)	(32,496)	37,008
Transfer between funds:																
Recoupment	7	(32,496)			32,496	-						(32,496)			32,496	-
Extraordinary Repair Fund	11	(40,000)		40,000		-						(40,000)		40,000		-
Cyclical Maintenance Fund	12	(30,000)	30,000			-						(29,000)	29,000			-
Other Recognised gains/(losses)		14,307	29,160	48,417	(66,444)	25,440						14,930	13,956	8,122	-	37,008
Gains/Losses on Investment Assets		5,644			260,102	265,746						2,890			65,952	68,842
Net Movement of Funds		19,951	29,160	48,417	193,658	291,186						17,820	13,956	8,122	65,952	105,850
Reconciliation of Funds																
Total Funds brought forward at 1.1.21		122,452	31,042	20,691	4,181,481	4,355,666						104,832	17,066	12,569	4,115,529	4,249,816
Total Funds carried forward at 31.12.21		142,403	60,202	69,108	4,375,139	4,646,852						122,452	31,042	20,691	4,181,481	4,355,666

The notes on pages 11 to 19 form part of these accounts

THE THOMAS WATSON COTTAGE HOMES
BALANCE SHEET AT 31ST DECEMBER 2021

INCOME FUNDS

	Notes	General Fund	Cyclical Maintenance Fund	Extra-ordinary Repair Fund	Endowment Fund	TOTAL 2021	General Fund	Cyclical Maintenance Fund	Extra-ordinary Repair Fund	Endowment Fund	TOTAL 2020
		£	£	£	£	£	£	£	£	£	£
FIXED ASSETS											
Investments at Market Value	6	37,085			2,727,612	2,764,697	32,341			2,476,179	2,508,520
Land and Buildings	7				1,488,154	1,488,154				1,520,650	1,520,650
TOTAL FIXED ASSETS		37,085	-	-	4,215,766	4,252,851	32,341	-	-	3,996,829	4,029,170
CURRENT ASSETS											
Debtors	8	23,888				23,888	22,800				22,800
Cash at Bank	9	109,274	60,202	69,108	159,373	397,957	78,634	38,475	20,691	184,652	322,652
		133,162	60,202	69,108	159,373	421,845	101,634	38,475	20,691	184,652	345,452
LIABILITIES											
Amounts falling due within 1 yr	10	(28,744)				(28,744)	(11,523)	(7,433)			(18,956)
NET CURRENT ASSETS		104,418	60,202	69,108	159,373	393,101	90,111	31,042	20,691	184,652	326,488
TOTAL NET ASSETS		142,403	60,202	69,108	4,375,139	4,646,952	122,452	31,042	20,691	4,181,481	4,355,658
FUNDS OF CHARITY											
CAPITAL FUNDS											
Endowment	13				4,375,139	4,375,139				4,181,481	4,181,481
INCOME FUNDS											
Unrestricted Funds:											
General	14	142,403				142,403	122,452				122,452
Designated Funds:											
Cyclical Maintenance	12		60,202			60,202		31,042			31,042
Restricted Fund:											
Extraordinary Repair Fund	11			69,108		69,108			20,691		20,691
		142,403	60,202	69,108	4,375,139	4,646,852	122,452	31,042	20,691	4,181,481	4,355,658

Approved by the Trustees on 20th October 2022 and signed on their behalf by:

John D. D.
TRUSTEE

R. D. D.
TRUSTEE

The notes on pages 11 to 19 form part of these accounts

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2021

1. ACCOUNTING POLICIES

Basis of Preparation of Financial Statements

The financial statements 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 have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have therefore departed from the Charities (Accounts and Reports) Regulations 2008. This departure has involved following the Charities SORP (FRS 102) as stated above, rather than the Accounting and Reporting by Charities Statement of Recommended Practice effective from 1st April 2005 which has since been withdrawn.

The Thomas Watson Cottages Homes constitutes a public benefit entity as defined by FRS 102.

The reporting currency is GBP and all amounts have been rounded to the nearest £.

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been allocated by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Designated funds are represented by the Cyclical Maintenance Fund and the Extraordinary Repair Fund which were set up to be used against the regular upkeep and maintenance of the properties.

The Endowment Fund represents the endowment made by the daughters of Thomas Watson for the primary purpose of the charity.

Investment income, gains and losses are allocated to the appropriate fund.

Revaluation of Fixed Asset Investments

In accordance with the SORP, investments of the Charity have been revalued at the balance sheet date. The value shown in the accounts is the mid-market price.

Land held by the Charity with no prospect of development or sale has not been revalued.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income. There was no deferred grant or similar income at 31st December 2021.

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

- continued

1. ACCOUNTING POLICIES (continued)

Resources Expended

Resources expended are accounted for on an accruals basis. It is the policy of the Trustees not to capitalise new office equipment costing less than £5,000.

All resources expended are inclusive of irrecoverable VAT, which is charged against the expense to which it relates.

During the year, the charity incurred a surplus of £291,186 after revaluation of investments (2020: surplus of £105,850), which translates to a surplus of £25,440 (surplus of £37,008) before revaluation of investments.

The Trustees consider The Thomas Watson Cottage Homes a going concern for the foreseeable future, this being at least 12 months from the date the balance sheet was signed.

This is due to the considerable endowment held by the charity, which generates income. The weekly maintenance contributions paid by the residents represent ca. 90% of market rent, and it can be expected that a similar level of income can be achieved in that regard in the next year. The Trustees budget for 5% of the properties being vacant during the year, which would not cause the charity any financial hardship, however, historically this event has never occurred.

Additionally, the charity holds a large investment portfolio which generates ca. 20% of its income. It is split between equity and treasury stock to reduce risk while still being able to generate good returns.

Unexpected expenses are unlikely to occur as quinquennial works are carried out on the cottages to ensure that they are in good states of repair, and any issues can be addressed immediately or can be budgeted for.

Cash Flow

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirements to prepare such a statement under the Charities SORP (FRS 102).

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Amortisation

The cost of Colgate Court and Jubilee Cottages is amortised at rates calculated to be in accordance with the recoupment rate set down by the Charity Commission as set out below:

Colgate Court	-over 60 years
Jubilee Cottages	-over 60 years

The Trustees consider the time period for the amortisation appropriate in view of the directions of the Charity Commission in the Schemes dated 25th January 1996 and 16th February 2010.

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

- continued

1. ACCOUNTING POLICIES (continued)

Interest Receivable

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.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Liabilities and provisions

Liabilities 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. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Financial Instruments

With the exception of fixed asset investments, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION

In the application of the Charity's accounting policies, the Trustees may be required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in a period of the revision and future periods if the revision affects both current and future periods.

At the year end date the Trustees had identified the following relevant estimates for which assumptions might be needed in the financial statements:

Amortisation (Recoupment)

The cost of Colgate Court and Jubilee Cottages is amortised at rates calculated to be in accordance with the recoupment rate set down by the Charity Commission (60 years).

Dividends and Interest Income

Official information on interest and dividends receivable for the latter part of the year is usually received after the year end and after the accounts have been prepared, making it necessary to estimate the anticipated interest/ dividend income. Estimates are made based on experience and interest received for previous periods.

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

3 MAINTENANCE OF SITE AND PROPERTIES

	2021 £	2020 £
INCOME FUND		
Maintenance and general upkeep	52,652	45,297
Landscaping, gardening and grounds	18,822	20,927
Light and heat	6,654	6,627
Rates and Insurance	21,389	19,622
Planning Costs & Other Prof fees	500	(2,000)
	<u>100,017</u>	<u>90,473</u>
CYCLICAL MAINTENANCE FUND		
Quinquennial Works & professional fees	<u>840</u>	<u>15,044</u>
EXTRA-ORDINARY REPAIR FUND		
Exceptional repair works & Professional fees	<u>(8,417)</u>	<u>31,878</u>
ENDOWMENT FUND		
Amortisation of Colgate Court	10,832	10,832
Amortisation of Jubilee Cottages	21,664	21,664
Remedial Costs for Jubilee Cottages (see note 13)	66,444	0
	<u>98,940</u>	<u>32,496</u>
TOTAL FUNDS	<u>191,380</u>	<u>169,891</u>

4 DIRECT WAGE COSTS & RESIDENTS' AMENITIES

	2021 £	2020 £
Wages and national insurance	45,208	41,543
Residents Amenities & Welfare	5,554	4,143
	<u>50,762</u>	<u>45,686</u>

5 OTHER RUNNING COSTS

	2021 £	2020 £
Clerk's Salary	22,774	22,684
Telephone, Postage and Stationery	1,713	2,010
National Association of Almshouses	375	361
Sundry expenses	1,023	698
Office Equipment & Computer maintenance	169	1,113
Recruitment & Training	240	451
Audit	3,020	2,760
Trustees' expenses	153	207
Financial services	9,299	10,437
Professional fees	960	3,000
	<u>39,726</u>	<u>43,721</u>

Total salary costs amounted to £67,982 (2020: £64,227) including £443 (2020: £1,675) employer's national insurance contributions. Average staff members in the year were 3 (2020: 3)

No Trustee received or waived any remuneration in the year. Trustees expenses relate to the attendance at meetings and associated costs incurred by all trustees.

Key management comprises the Trustees who give their time freely and do not receive any remuneration.

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS
- continued

6 INVESTMENTS

	Cost £	Market Value £	Interest/ Dividend £
Endowment Fund			
2.5% IndexLink TSY Stock 2024	196,155	208,438	4,249
4.25% IndexLink TSY Stock 2030	172,025	200,607	4,643
1.25% IndexLink TSY Stock 2032	-	-	-
2% IndexLink TSY Stock 2035	149,890	165,275	1,774
C.O.I.F. investment income shares - 58,915.50	750,004	1,577,905	41,629
BLK Charities UK Equity Fund - A	185,106	371,264	10,696
BLK Charities UK Bond Fund - Class A Inc	50,000	48,220	1,400
M&G Charity Multi Asset Fund	25,828	155,903	-
General fund:			
156.85 COIF Accum. Shares (2002: Cost £3,000)	3,000	37,985	-
TOTAL INVESTMENTS	1,532,008	2,765,697	64,391

SUMMARY OF MOVEMENTS IN YEAR

	£
Market value at 1st January 2021	2,508,520
Purchases in the year	100,000
Sales in the year - proceeds	(108,669)
Realised Loss	-
Unrealised gain	269,237
Unrealised losses	(3,491)
Market value at 31st December 2021	2,765,597

All investments are UK investments

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

- continued

7 LAND AND BUILDINGS

The Charity owns the freehold to 6.3 acres of land at Chipping Barnet together with 20 cottages and 11 flats, being 30 units of accommodation for residents, and one residents' guest suite.

The land together with the 12 original cottage homes was donated to the Charity by the Founders in 1913. This cost attributed to the original cottages is their 2008 valuation and the Trustees have adopted this figure for the purposes of FRS 102. It will not be subject to further revaluation and the depreciation charged recognises that they have been occupied for charitable purposes for in excess of 60 years, being the period of amortisation adopted as explained below.

On 25th January 1995, the Charity Commissioners authorised the Trustees of the Charity to expend from its permanent endowment not more than £600,000 (increased to £650,000 on 8th September 1995) towards the construction of at least eleven flats. Construction commenced during 1995 and final payments were made during 1998 on contract value of £674,629. The cost in excess of the Charity Commission authorisation has been met from interest earned on the £650,000 during the course of development. The Trustees are required to recoup the sums expended by transfer from income over 60 years. The depreciation method adopted reflects the recoupment period and has therefore been set to write off the cost of buildings over 60 years. As a result, the original cottages are considered fully depreciated and amortisation provisions continue to be made for the flats and jubilee cottages.

On 18th. February 2010, the Charity Commissioners authorised the Trustees of the Charity to expend from its permanent endowment not more than £1,300,000, towards the construction of eight cottages. Work was completed during 2011 and the Trustees will be required to recoup the sum expended by transfer from income over 60 years and this is reflected in the depreciation charge.

The cost of other land represents the expenditure incurred during 2008 in securing the land not considered available for sale. This is considered by the Trustees to be a reasonable estimate of the value of that land.

	Flats £	Cottages £	Jubilee Cottages £	Other Land £	Total £
COST OR VALUATION					
At 1st January 2021	674,629	2,384,226	1,299,717	14,789	4,373,361
Cost during the year					0
At 31st December 2021	674,629	2,384,226	1,299,717	14,789	4,373,361
AMORTISATION					
At 1st January 2021	262,705	2,384,226	205,780		2,852,711
Provision in year	10,832	0	21,664	0	32,496
At 31st December 2021	273,537	2,384,226	227,444	-	2,885,207
NET BOOK VALUE					
At 31st December 2021	401,092	-	1,072,273	14,789	1,488,154
At 31st December 2020	411,924	-	1,093,937	14,789	1,520,650

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

- continued

8 DEBTORS

	2021 £	2020 £
Interest accrued on investments	16,530	15,077
Rates and Insurance proportion applicable to 2022	6,662	6,576
Prepayments - WMC and HB Amenity Benefits	531	932
Interest receivable	165	215
	<u>23,888</u>	<u>22,800</u>

9 CASH AT BANK AND CASH EQUIVALENTS

	2021 £	2020 £
Cash at bank	215,783	141,455
Cash equivalents	182,174	181,197
	<u>397,957</u>	<u>322,652</u>

10 CREDITORS

	2021 £	2020 £
Amounts falling due within one year:		
Audit and accountancy 2021, including VAT	3,000	2,800
Maintenance provision/Housing benefit in advance	16,737	2,050
Gardening & Grounds	1,350	1,350
Light & Heat & Phone	730	480
Rates and Insurance	170	120
Repairs and Maintenance	3,035	1,117
HMRC	1,383	1,624
Legal and professional	500	-
Financial & IT services	1,179	994
Residents amenities	350	400
Office Equipment & Sundries	310	608
CMF repairs	-	7,433
	<u>28,744</u>	<u>18,956</u>

Included in creditors listed above are amounts owed for Cyclical Maintenance Repairs for refurbishment of the kitchen in The Hall and gutters and roofing for the original cottages at 31.12.20. This creditor is allocated to the Cyclical Maintenance Fund.

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

- continued

11 EXTRAORDINARY REPAIR FUND	2021	2020
YEAR ENDED 31ST DECEMBER 2021	£	£
Fund at 1st January 2021	20,691	12,569
Transfer in the year	40,000	40,000
Withdrawn/Recouped during the year	8,417	(31,878)
Fund at 31st December 2021	<u>69,108</u>	<u>20,691</u>
REPRESENTED BY:		
Various cash deposits	<u>69,108</u>	<u>20,691</u>
12 CYCLICAL MAINTENANCE FUND	2021	2020
YEAR ENDED 31ST DECEMBER 2021	£	£
Fund as at 1st January 2021	31,042	17,088
Transfer in the year	30,000	29,000
Expenditure in the year	(840)	(15,044)
Fund at 31st December 2021	<u>60,202</u>	<u>31,042</u>
REPRESENTED BY:		
Various cash deposits	<u>60,202</u>	<u>31,042</u>

A specific fund was established in 2001 and is shown separately in accordance with SORP 2015. It is the intention of the Trustees to maintain the fund by regular transfers from the general fund.

13 ENDOWMENT FUND	2021	2020
YEAR ENDED 31ST DECEMBER 2021	£	£
Fund as at 1st January 2021	4,181,481	4,115,529
Transfer in the year	32,496	32,496
Expenditure in the year	(98,940)	(32,496)
Gains/Losses on Investment Assets	260,102	65,952
Fund at 31st December 2021	<u>4,375,139</u>	<u>4,181,481</u>
REPRESENTED BY:		
Land and Buildings	1,488,154	1,520,650
Investments	2,727,612	2,476,179
Cash deposits	159,373	184,652
	<u>4,375,139</u>	<u>4,181,481</u>

On 15th August 2022 the Trustees applied to the Charity Commission for permission to use the Endowment Fund to meet the abnormal remedial costs, including design and supervision, related to the movement and subsidence in the embankment to the rear of Nos 15-17 Jubilee Cottages. The sum applied for also includes further investigation costs, abnormal and/or emergency repairs in 2021 to drains and patios, the costs relating to the securing of the services of an independent engineering expert and associated legal costs. On 5th September 2022 permission was received from the Charity Commission to use a portion of the Endowment Fund for this purpose. This was in addition to a previous permission received on 25th October 2019 for up to £25,000 of the permanent endowment to be spent on monitoring the activity of the same bank of land to the rear of Nos.15-17 Jubilee Cottages. The accounts include £66,444 of remedial costs for Jubilee Cottages under this authorisation.

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

- continued

14 GENERAL FUND

YEAR ENDED 31ST DECEMBER 2021

	2021	2020
	£	£
Fund as at 1st January 2021	122,452	104,632
Net Income/Expenditure before transfers	116,803	116,426
Transfers in the year	(102,496)	(101,496)
Gains/Losses on Investment Assets	5,644	2,890
Fund at 31st December 2021	<u>142,403</u>	<u>122,452</u>
REPRESENTED BY:		
Investments	37,985	32,341
Net current Assets	104,418	90,111
	<u>142,403</u>	<u>122,452</u>

15 RESERVES

As noted in the Risk Assessment section of the Trustees' Report, the principal purpose of the general reserve is to provide for relocation and care of residents in the event of a major incident depriving the Trustees of the use of the residential buildings. The Charity also requires funds to plan for growth and this is specifically assessed from time to time.

16 FINANCIAL INSTRUMENTS

Financial Assets	2021	2020
	£	£
Financial assets measured at fair value through the SOFA	2,765,597	2,508,520
Financial assets measured at fair value through the SOFA comprise investments		

15 RELATED PARTIES

During the year ended 2021, there were no transactions with related parties (2020 none)

THE THOMAS WATSON COTTAGE HOMES

England & Wales - Charity number 206515

Accounts

Charity Number: 206515

THE THOMAS WATSON COTTAGE HOMES

REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2020

CONTENTS:

Page	1	Trust Information
	2 - 5	Report of the Trustees
	6-8	Auditors' report
	9	Statement of financial activities
	10	Balance sheet
	11 - 18	Notes to the financial statements

RPG CROUCH CHAPMAN
Chartered Accountants
14-16 Dowgate Hill
London
EC4R 2SU

THE THOMAS WATSON COTTAGE HOMES

6A The Hall
Leecroft Road
Barnet
Herts EN5 2TJ

REFERENCE AND ADMINISTRATIVE INFORMATION

CHARITY NUMBER:	206515
TRUSTEES:	Mrs. J.S. Harrold (Chairman) Mrs. S.H. Housden Mr. R.W. Peart Mrs V. E. Corrigan Mr D. L. Kay Mrs C.L. Corbett Mrs S.K. Mallon Mr J W Coates
CLERK TO THE TRUSTEES:	Mr W.J. Alford
FINANCE MANAGER:	Mrs. M.P. Dye
SHELTERED HOUSING MANAGER	Mrs. S.E. Baker (formerly Mrs J. Lindley)
SOLICITORS:	Wedlake Bell Atrium Court 15 Jockey's Fields London WC1R 4QR
AUDITORS:	RPG Crouch Chapman LLP 14-16 Dowgate Hill London EC4R 2SU
BANKERS:	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ

THE THOMAS WATSON COTTAGE HOMES

REPORT OF THE TRUSTEES

The Trustees present their report and the audited financial statements for the year ended 31st December 2020. These have been prepared in accordance with the Statement of Recommended Practice issued applicable to charities preparing their accounts in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011 and the Charity's governing documents.

TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles 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 Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Charity was established on 25th November 1913 and in 1980 combined with the Charity of Annie Lucy Watson established by Will on 2nd March, 1937. The Charity is regulated by a scheme of the Charity Commissioners of 15th August 1980 as affected by the Scheme of the Commissioners of 26th October 1987 (Authority to sell land), and as varied by the provisions of the Schemes dated 24th June 1991 (to establish a Cyclical Maintenance Fund and extend qualification to spouses), 10th June 1992 (authority for expenditure of £145,000 on refurbishment of cottages, subject to direction to recoup over 15 years), 25th January 1996 (authority for expenditure of £600,000 towards construction of at least 10 flats subject to direction to recoup over 60 years) and supplemental order, dated 8th September 1996 (authority to expend a further £50,000 on construction of a further flat), and 18th February 2010 (authority for expenditure of not more than £1,300,000 towards construction of further eight housing units subject to direction to recoup over 60 years).

THE THOMAS WATSON COTTAGE HOMES

REPORT OF THE TRUSTEES

- continued

Trustees

The Trustees appointed to TWCH show a balance of skills in order to run this charity effectively. At the year end, there are four trustees who are directly related to the Founders, three who are former employees of NFC and one who is a local resident. Their expertise covers Property and Planning, Finance and Welfare.

There are no outside parties who can appoint trustees for the Thomas Watson Cottage Homes.

Each trustee is appointed for a term of five years by a resolution of the existing trustees and may be reappointed at the end of such term.

All new trustees are given a copy of the Residents' Handbook, full details on the running of the Charity and guidelines from the Charity Commission for this scheme. Any other opportunities for training are also considered.

Structure of Organisation

The Trustees met four times during the year, once in person and three times by Zoom as a result of the coronavirus pandemic.

- To review the finances of the Charity.
- To consider on-going requirements for the maintenance and upkeep of the individual housing units and for the estate in general.
- To determine action required in relation to future developments on the estate.
- To receive reports from the Clerk on the health and well-being of residents and other matters relating to the running of the Charity, including Housing Benefit.

There were sub-committee meetings during the year as required.

The day-to-day administrative activities were carried out by the Clerk to the Trustees, with assistance from the Sheltered Housing Manager and the Finance Manager.

Statement of Risk Management

The Trustees have considered the risks to which The Thomas Watson Cottage Homes are exposed. These risks are mitigated by:

- A Board of Trustees with the necessary experience and competence to ensure the successful running of the Charity;
- Regular Trustees' meetings with effective reporting to ensure proper review of operations;
- Maintenance of a sufficient reserve to implement an effective relocation programme in the event of a disaster affecting the habitability of the accommodation;
- Other financial risks have been addressed by insurance.

THE THOMAS WATSON COTTAGE HOMES

REPORT OF THE TRUSTEES

- continued

CHARITY OBJECTIVES AND ACTIVITIES

The Objective is to run Almshouses for the benefit of the following persons. They shall be aged or poor persons of the following classes and their spouses or widows in the following order of priority:

- Former employees of Sutton and Company, Sutton and Company Limited and Sutton and Company (Manchester) Limited;
- Employees or former employees of any successor company of the said companies or any company of NFC plc;
- Employees or former employees of any person, firm, company or undertaking engaged in the business of carrying freight;
- Employees or former employees of any other carrier of freight.

Provided that when selecting residents in all the above classes preference shall be given to such persons who have been employed as above mentioned for the longest period.

NFC plc changed its name to EXEL plc and then merged with Ocean Group plc. This group now forms part of DHL which in turn is owned by Deutsche Post AG. The Charity Commission advise that this does not require a change in the Scheme of the Charity.

Subject to the expenses of Management, transfers to a Cyclical Maintenance Fund and an Extraordinary Repair Fund, the Trustees shall apply the income of the charity for the benefit of the residents in the Almshouses of the Charity or any of them in such manner as the Trustees think fit from time to time.

The Trustees confirm that the Charity Commission's general guidance on public benefit has been considered in relation to the objectives of the Charity. The report sets out those objectives and describes how they have been met in the current year.

The only volunteers are the Trustees.

The Charity does not engage in fundraising activities.

ACHIEVEMENTS AND PERFORMANCE

No vacancies occurred in 2020. One flat in Colgate Court continues to be used as a guest flat and for other facilities for the benefit of the residents.

Our staff have provided excellent care and support to our residents and assistance to the Trustees. The Coronavirus pandemic placed more responsibility on the staff who have all risen to the challenge of keeping the Residents and their families up to date on the restrictions on and off the estate. Mr and Mrs Lindley retired in September 2020 after 16 years of service. The new Sheltered Housing Manager and Maintenance Supervisor commenced work the same month, but they are non resident.

Outings and entertainment opportunities have been limited in 2020 due to the pandemic. A monthly fish and chip supper and a Christmas tea have been delivered to residents' homes and have been enjoyed by those who chose to take part.

One Cottage suffered subsidence in 2020 and action was taken to effect repairs. Four other cottages have suffered subsidence and are awaiting rectification under the insurance policy. There was a quinquennial inspection of the original cottages and the communal hall carried out in 2019. The majority of the remedial work was carried out in 2020. The remainder will be carried out in 2021.

THE THOMAS WATSON COTTAGE HOMES

REPORT OF THE TRUSTEES

- continued

FINANCIAL REVIEW

The Trustees have considered reserves required as part of their assessment of risk and also taken into account the annual requirement to transfer recoupment funds to the Endowment Fund. This year the amount transferred was £10,832 for Colgate Court and £21,664 for the new cottages.

It is the Trustees policy to maintain a balance on general reserves which equates to at least 6 months general expenditure. The balance at the year end was £122,452 which exceeds this target.

Having assessed the Charity's financial circumstances the Trustees have a reasonable expectation that the charity has adequate resources to continue its operations for the foreseeable future.

The principal funding source is Weekly Maintenance contributions from the Cottages and Flats.

The average contribution per unit of occupied accommodation was £8,078 per annum. Residents of 9 units received Housing Benefit during the year. Weekly Maintenance Contributions were increased from 1st April 2020 by approximately 4%.

The Charity does not rely on voluntary work nor does it receive any gifts in kind. The Finance sub-committee recommends the investment policy, which is ratified at the full quarterly Trustee meetings.

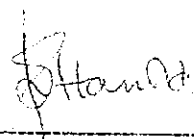
The balance of Recoupment funds continue to be held in Deposit Accounts and investments. The equity market has fluctuated during the year and the investments held throughout the year increased in value by a net total of £69,349, with a loss of £507 on the investment redeemed in April, making a total net gain of £68,842.

The investment policy of the Charity is to mitigate its risk by having a spread of investment funds, with review by the Trustees on a quarterly basis. The Charity's policy on reserves is determined by the various Charity Commission Orders on an ongoing concern basis. The Charity aims to break even from its operations on the General Fund year on year.

PLANS FOR THE FUTURE

Future quinquennial inspections will take place on a rotation basis between the original cottages, Colgate Court and Jubilee Cottages. The next quinquennial inspection of Colgate Court will be carried out in 2021.

Thomas Watson Cottage Homes
Leecroft Road
Barnet
Herts EN5 2TJ


CHAIRMAN

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE THOMAS WATSON COTTAGE HOMES

We have audited the financial statements of The Thomas Watson Cottage Homes for the year ended 31st December 2020 as set out on pages 9 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1st April 2005 which is referred to in the extant regulations but has been withdrawn.

This had been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1st January 2015

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 Charity's Trustees those matters we are required to state to them in an Auditors' 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 Trustees as a body, for our audit work, for this report or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st December 2020 and of its incoming resources and application of resources, including 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 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 of our report. We are independent of the Charity in accordance with ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 authorized for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE THOMAS WATSON COTTAGE HOMES (continued)

In our evaluation of the trustees' conclusions, we considered the risks associated with the charity's business model, including the effects arising from macro-economic uncertainties such as COVID-19 and analysed how those risks might affect the charity's financial resources or ability to continue operations over the period of twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charity will continue in operation.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 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 financial statements 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.

Capability of the audit to detect irregularities including fraud

We gained an understanding of the legal and regulatory framework applicable to the charity and the industry in which it operates, and considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, compliance with Companies Act 2006, the Charities Act 2011 and FRS102.

We designed audit procedures to respond to the risk, recognising that 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.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- review of minutes of board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in the audit procedures described above and the further removed noncompliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE THOMAS WATSON COTTAGE HOMES (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 financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, set out on page 2, the Trustees are responsible for 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 the financial statements that are free from material misstatement, whether due to fraud or error.

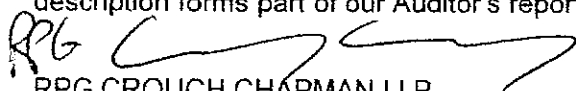
In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity's or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 145 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 assurances about whether the financial statements 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 assurance, but it is not a guarantee that an audit concluded in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatement 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.



RPG CROUCH CHAPMAN LLP
Chartered Accountants
Statutory Auditor
14-16 Dowgate Hill
London EC4R 2SU

Date: 15/6/21

RPG Crouch Chapman LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

THE THOMAS WATSON COTTAGE HOMES
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST DECEMBER 2020

		/.....INCOME FUNDS.....\				CAPITAL FUND				/.....INCOME FUNDS.....\				CAPITAL FUND			
		General Fund	Cyclical Maintenance Fund	Extra-ordinary Repair Fund	Endowment Fund	TOTAL 2020			General Fund	Cyclical Maintenance Fund	Extra-ordinary Repair Fund	Endowment Fund	TOTAL 2019				
Notes		£	£	£	£	£			£	£	£	£	£				
Income from:																	
Charitable Activities:																	
Weekly maintenance contributions and Housing Benefit		234,468				234,468			220,231				220,231				
Bank and Deposit Interest		1,958				1,958			3,390				3,390				
Activity for generating funds:																	
Investment Income		6	59,878			59,878			54,718				54,718				
Wayleaves			2			2			2				2				
Total Income			296,306	0	0	296,306			278,341	0	0	-	278,341				
Expenditure on:																	
Charitable activities																	
Maintenance of Site properties		3	90,473	15,044	31,878	32,496			93,751	25,680	29,721	32,496	181,648				
Warden's costs and Residents Am		4	45,686			45,686			44,320				44,320				
Other Running Costs		5	43,721			43,721			36,113				36,113				
Total Expenditure			179,880	15,044	31,878	32,496			174,184	25,680	29,721	32,496	262,081				
Net income/(expenditure) before transfers			116,426	(15,044)	(31,878)	37,008			104,157	(25,680)	(29,721)	(32,496)	16,260				
Transfer between funds:																	
Recoupment		7	(32,496)			-			(32,496)			32,496	-				
Extraordinary Repair Fund		11	(40,000)		40,000	-			(40,000)		40,000		-				
Cyclical Maintenance Fund		12	(29,000)	29,000		-			(28,000)	28,000			-				
Other Recognised gains/(losses)			14,930	13,956	8,122	37,008			3,661	2,320	10,279	-	16,260				
Gains/Losses on Investment Assets			2,890			68,842			5,245			266,042	271,287				
Net Movement of Funds			17,820	13,956	8,122	105,850			8,906	2,320	10,279	266,042	287,547				
Reconciliation of Funds																	
Total Funds brought forward at 1.1.20			104,632	17,086	12,569	4,249,816			95,726	14,766	2,290	3,849,487	3,962,269				
Total Funds carried forward at 31.12.20			122,452	31,042	20,691	4,355,666			104,632	17,086	12,569	4,115,529	4,249,816				

The notes on pages 11 to 18 form part of these accounts

THE THOMAS WATSON COTTAGE HOMES
BALANCE SHEET AT 31ST DECEMBER 2020

INCOME FUNDS

	Notes	General Fund £	Cyclical Maintenance Fund £	Extra-ordinary Repair Fund £	Endowment Fund £	TOTAL 2020 £	General Fund £	Cyclical Maintenance Fund £	Extra-ordinary Repair Fund £	Endowment Fund £	TOTAL 2019 £
FIXED ASSETS											
Investments at Market Value	6	32,341			2,476,179	2,508,520	29,451			2,259,199	2,288,650
Land and Buildings	7				1,520,650	1,520,650				1,553,146	1,553,146
TOTAL FIXED ASSETS		32,341	-	-	3,996,829	4,029,170	29,451	-	-	3,812,345	3,841,796
CURRENT ASSETS											
Debtors	8	22,800				22,800	19,859				19,859
Cash at Bank	9	78,834	38,475	20,691	184,652	322,652	70,445	23,086	12,569	303,184	409,284
LIABILITIES											
Amounts falling due within 1 yr	10	(11,523)	(7,433)			(18,956)	(15,133)	(6,000)			(21,133)
NET CURRENT ASSETS		90,111	31,042	20,691	184,652	326,496	75,161	17,086	12,569	303,184	408,020
TOTAL NET ASSETS		122,452	31,042	20,691	4,181,481	4,355,666	104,632	17,086	12,569	4,115,529	4,249,816
FUNDS OF CHARITY CAPITAL FUNDS											
Endowment										4,115,529	4,115,529
INCOME FUNDS											
Unrestricted Funds:											
General		122,452				122,452	104,632				104,632
Designated Funds:											
Cyclical Maintenance	12		31,042			31,042		17,086			17,086
Restricted Fund:											
Extraordinary Repair Fund	11			20,691		20,691			12,569		12,569
TOTAL INCOME FUNDS		122,452	31,042	20,691	4,181,481	4,355,666	104,632	17,086	12,569	4,115,529	4,249,816

Approved by the Trustees on 22nd April 2021 and signed on their behalf by:


.....
TRUSTEE


.....
TRUSTEE

The notes on pages 11 to 18 form part of these accounts

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2020

1. ACCOUNTING POLICIES

Basis of Preparation of Financial Statements

The financial statements 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 have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011. The charity has opted to early adopt Update Bulletin 1 of the Charities SORP (FRS 102).

The financial statements have been prepared to give a 'true and fair' view and have therefore departed from the Charities (Accounts and Reports) Regulations 2008. This departure has involved following the Charities SORP (FRS 102) as stated above, rather than the Accounting and Reporting by Charities Statement of Recommended Practice effective from 1st April 2005 which has since been withdrawn.

The Thomas Watson Cottages Homes constitutes a public benefit entity as defined by FRS 102.

The reporting currency is GBP and all amounts have been rounded to the nearest £.

Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been allocated by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Designated funds are represented by the Cyclical Maintenance Fund and the Extraordinary Repair Fund which were set up to be used against the regular upkeep and maintenance of the properties.

The Endowment Fund represents the endowment made by the daughters of Thomas Watson for the primary purpose of the charity.

Investment income, gains and losses are allocated to the appropriate fund.

Revaluation of Fixed Asset Investments

In accordance with the SORP, investments of the Charity have been revalued at the balance sheet date. The value shown in the accounts is the mid-market price.

Land held by the Charity with no prospect of development or sale has not been revalued.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income. There was no deferred grant or similar income at 31st December 2020.

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

- continued

1. ACCOUNTING POLICIES (continued)

Resources Expended

Resources expended are accounted for on an accruals basis. It is the policy of the Trustees not to capitalise new office equipment costing less than £5,000.

All resources expended are inclusive of irrecoverable VAT, which is charged against the expense to which it relates.

During the year, the charity incurred a surplus of £105,850 after revaluation of investments (2019: surplus of £287,547), which translates to a surplus of £37,008 (surplus of £16,260) before revaluation of investments.

The Trustees consider The Thomas Watson Cottage Homes a going concern for the foreseeable future, this being at least 12 months from the date the balance sheet was signed.

This is due to the considerable endowment held by the charity, which generates income. The weekly maintenance contributions paid by the residents represent ca. 90% of market rent, and it can be expected that a similar level of income can be achieved in that regard in the next year. The Trustees budget for 5% of the properties being vacant during the year, which would not cause the charity any financial hardship, however, historically this event has never occurred.

Additionally, the charity holds a large investment portfolio which generates ca. 20% of its income. It is split between equity and treasury stock to reduce risk while still being able to generate good returns.

Unexpected expenses are unlikely to occur as quinquennial works are carried out on the cottages to ensure that they are in good states of repair, and any issues can be addressed immediately or can be budgeted for.

Cash Flow

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirements to prepare such a statement under the Charities SORP (FRS 102).

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Amortisation

The cost of Colgate Court and Jubilee Cottages is amortised at rates calculated to be in accordance with the recoupment rate set down by the Charity Commission as set out below:

Colgate Court	-over 60 years
Jubilee Cottages	-over 60 years

The Trustees consider the time period for the amortisation appropriate in view of the directions of the Charity Commission in the Schemes dated 25th January 1996 and 16th February 2010.

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

- continued

1. ACCOUNTING POLICIES (continued)

Interest Receivable

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.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Liabilities and provisions

Liabilities 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. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Financial Instruments

With the exception of fixed asset investments, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION

In the application of the Charity's accounting policies, the Trustees may be required to make judgements, estimate and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in a period of the revision and future periods if the revision affects both current and future periods.

At the year end date the Trustees had identified the following relevant estimates for which assumptions might be needed in the financial statements:

Amortisation (Recoupment)

The cost of Colgate Court and Jubilee Cottages is amortised at rates calculated to be in accordance with the recoupment rate set down by the Charity Commission (60 years).

Dividends and Interest Income

Official information on interest and dividends receivable for the latter part of the year is usually received after the year end and after the accounts have been prepared, making it necessary to estimate the anticipated interest/ dividend income. Estimates are made based on experience and interest received for previous periods.

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

3 MAINTENANCE OF SITE AND PROPERTIES	2020	2019
	£	£
INCOME FUND		
Maintenance and general upkeep	45,297	45,795
Landscaping, gardening and grounds	20,927	18,556
Light and heat	6,627	7,945
Rates and Insurance	19,622	19,102
Planning Costs & Other Prof fees	(2,000)	2,353
	<u>90,473</u>	<u>93,751</u>
CYCLICAL MAINTENANCE FUND		
Quinquennial Works & professional fees	<u>15,044</u>	<u>25,680</u>
EXTRA-ORDINARY REPAIR FUND		
Exceptional repair works & Professional fees	<u>31,878</u>	<u>29,721</u>
ENDOWMENT FUND		
Amortisation of Colgate Court	10,832	10,832
Amortisation of Jubilee Cottages	21,664	21,664
	<u>32,496</u>	<u>32,496</u>
TOTAL FUNDS	<u>169,891</u>	<u>181,648</u>
4 DIRECT WAGE COSTS & RESIDENTS' AMENITIES	2020	2019
	£	£
Wages and national insurance	41,543	36,923
Residents Amenities & Welfare	4,143	7,397
	<u>45,686</u>	<u>44,320</u>
5 OTHER RUNNING COSTS	2020	2019
	£	£
Clerk's Salary	22,684	20,381
Telephone, Postage and Stationery	2,010	1,495
National Association of Almshouses	361	350
Sundry expenses	698	231
Office Equipment & Computer maintenance	1,113	328
Recruitment & Training	451	515
Audit	2,760	2,688
Trustees' expenses	207	431
Financial services	10,437	9,694
Professional fees	3,000	-
	<u>43,721</u>	<u>36,113</u>

Total salary costs amounted to £64,227 (2019: £57,304) including £1,675 (2019: £821) employer's national insurance contributions. Average staff members in the year were 3 (2019: 3)

No Trustee received or waived any remuneration in the year. Trustees expenses relate to the attendance at meetings and associated costs incurred by all trustees.

Key management comprises the Trustees who give their time freely and do not receive any remuneration

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

- continued

6 INVESTMENTS

	Cost £	Market Value £	Interest/ Dividend £
Endowment Fund			
2.5% IndexLink TSY Stock 2020			748
2.5% IndexLink TSY Stock 2024	146,155	153,565	2,824
4.25% IndexLink TSY Stock 2030	172,025	198,180	4,262
1.25% IndexLink TSY Stock 2032	99,785	108,669	889
2% IndexLink TSY Stock 2035	99,890	110,181	1,260
C.O.I.F. investment income shares - 58,915.50	750,004	1,381,128	38,620
BLK Charities UK Equity Fund - A	185,106	334,989	8,912
BLK Charities UK Bond Fund - Class A Inc	50,000	51,711	2,363
M&G Charity Multi Asset Fund	25,828	137,756	-
General fund:			
156.85 COIF Accum. Shares (2002: Cost £3,000)	3,000	32,341	-
TOTAL INVESTMENTS	1,531,793	2,508,520	59,878

SUMMARY OF MOVEMENTS IN YEAR

	£
Market value at 1st January 2020	2,288,650
Purchases in the year	249,267
Sales in the year - proceeds	(98,240)
Realised Loss	(507)
Unrealised gain	100,084
Unrealised losses	(30,734)
Market value at 31st December 2020	2,508,520

All investments are UK investments

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

- continued

7 LAND AND BUILDINGS

The Charity owns the freehold to 6.3 acres of land at Chipping Barnet together with 20 cottages and 11 flats, being 30 units of accommodation for residents, and one residents' guest suite.

The land together with the 12 original cottage homes was donated to the Charity by the Founders in 1913. This cost attributed to the original cottages is their 2008 valuation and the Trustees have adopted this figure for the purposes of FRS 102. It will not be subject to further revaluation and the depreciation charged recognises that they have been occupied for charitable purposes for in excess of 60 years, being the period of amortisation adopted as explained below.

On 25th January 1995, the Charity Commissioners authorised the Trustees of the Charity to expend from its permanent endowment not more than £600,000 (increased to £650,000 on 8th September 1995) towards the construction of at least eleven flats. Construction commenced during 1995 and final payments were made during 1998 on contract value of £674,629. The cost in excess of the Charity Commission authorisation has been met from interest earned on the £650,000 during the course of development. The Trustees are required to recoup the sums expended by transfer from income over 60 years. The depreciation method adopted reflects the recoupment period and has therefore been set to write off the cost of buildings over 60 years. As a result, the original cottages are considered fully depreciated and amortisation provisions continue to be made for the flats and jubilee cottages.

On 18th. February 2010, the Charity Commissioners authorised the Trustees of the Charity to expend from its permanent endowment not more than £1,300,000, towards the construction of eight cottages. Work was completed during 2011 and the Trustees will be required to recoup the sum expended by transfer from income over 60 years and this is reflected in the depreciation charge.

The cost of other land represents the expenditure incurred during 2008 in securing the land not considered available for sale. This is considered by the Trustees to be a reasonable estimate of the value of that land.

	Flats	Cottages	Jubilee Cottages	Other Land	Total
	£	£	£	£	£
COST OR VALUATION					
At 1st January 2020	674,629	2,384,226	1,299,717	14,789	4,373,361
Cost during the year					0
At 31st December 2020	674,629	2,384,226	1,299,717	14,789	4,373,361
AMORTISATION					
At 1st January 2020	251,873	2,384,226	184,116		2,820,215
Provision in year	10,832		21,664		32,496
At 31st December 2020	262,705	2,384,226	205,780	-	2,852,711
NET BOOK VALUE					
At 31st December 2020	411,924	-	1,093,937	14,789	1,520,650
At 31st December 2019	422,756	-	1,115,601	14,789	1,553,146

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

- continued

8 DEBTORS	2020	2019
	£	£
Interest accrued on investments	15,077	12,270
Rates and Insurance proportion applicable to 2020	6,576	6,666
Prepayments - WMC and HB Amenity Benefits	932	613
Interest receivable	215	320
	22,800	19,869
9 CASH AT BANK AND CASH EQUIVALENTS	2020	2019
	£	£
Cash at bank	141,455	229,624
Cash equivalents	181,197	179,660
	322,652	409,284
10 CREDITORS	2020	2019
	£	£
Amounts falling due within one year:		
Audit and accountancy 2020, including VAT	2,800	2,800
Maintenance provision/Housing benefit in advance	2,050	3,731
Gardening & Grounds	1,350	1,350
Light & Heat & Phone	460	1,748
Rates and Insurance	120	250
Repairs and Maintenance	1,117	-
HMRC	1,624	1,167
Legal and professional		8,000
Financial services	994	1,416
Residents amenities	400	500
Office Equipment & Sundries	608	171
CMF repairs	7,433	
	18,956	21,133

Included in creditors listed above are amounts owed for Cyclical Maintenance Repairs for refurbishment of the kitchen in The Hall and gutters and roofing for the original cottages. This creditor is allocated to the Cyclical Maintenance Fund.

THE THOMAS WATSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

- continued

11 EXTRAORDINARY REPAIR FUND	2020	2019
YEAR ENDED 31ST DECEMBER 2020	£	£
Fund at 1st January 2020	12,569	2,290
Transfer in the year	40,000	40,000
Withdrawn during the year	(31,878)	(29,721)
Fund at 31st December 2020	<u>20,691</u>	<u>12,569</u>
 REPRESENTED BY:		
Various cash deposits	<u>20,691</u>	<u>12,569</u>
 12 CYCLICAL MAINTENANCE FUND	2020	2019
YEAR ENDED 31ST DECEMBER 2020	£	£
Fund as at 1st January 2020	17,086	14,766
Transfer in the year	29,000	28,000
Expenditure in the year	(15,044)	(25,680)
Fund at 31st December 2020	<u>31,042</u>	<u>17,086</u>
 REPRESENTED BY:		
Various cash deposits	<u>31,042</u>	<u>17,086</u>

A specific fund was established in 2001 and is shown separately in accordance with SORP 2015. It is the intention of the Trustees to maintain the fund by regular transfers from the general fund.

13 RESERVES

As noted in the Risk Assessment section of the Trustees' Report, the principal purpose of the general reserve is to provide for relocation and care of residents in the event of a major incident depriving the Trustees of the use of the residential buildings. The Charity also requires funds to plan for growth and this is specifically assessed from time to time.

14 FINANCIAL INSTRUMENTS

Financial Assets	2020	2019
	£	£
Financial assets measured at fair value through the SOFA	2,508,520	2,288,650
Financial assets measured at fair value through the SOFA comprise investments		

15 RELATED PARTIES

During the year ended 2020, there were no transactions with related parties (2019 none)