

THE THOMAS WATSON COTTAGE HOMES

REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2024

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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.

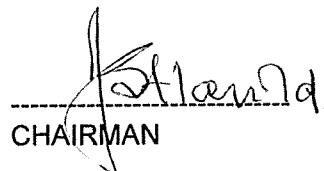
The investment policy of the Charity is to mitigate its risk by having a spread of investment funds, with review by the Trustees on a quarterly basis. The Charity's policy on reserves is determined by the various Charity Commission Orders on an ongoing concern basis. The Charity aims to break even from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

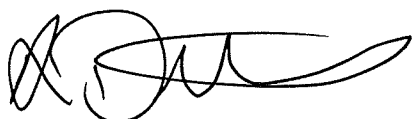
- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of Management regarding known or suspected instances of non-compliance with laws and regulations;
- review of minutes of the Board meetings throughout the year;
- obtaining an understanding of the control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

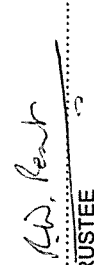
	Notes	General Fund £	Cyclical Maintenance Fund £	Extra-ordinary Repair Fund £	Endowment Fund £	TOTAL 2024 £	General Fund £	Cyclical Maintenance Fund £	Extra-ordinary Repair Fund £	Endowment Fund £	TOTAL 2023 £
FIXED ASSETS											
Investments at Market Value	6	40,878	-	-	2,682,947	2,723,825	38,899	-	-	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

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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	<u>209,254</u>	<u>94,692</u>
	<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)