

Charity number: 212828

Richard Watts and the City of Rochester Almshouse Charities

Trustees' report and financial statements

for the year ended 31 December 2023

Richard Watts and the City of Rochester Almshouse Charities

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Richard Watts and the City of Rochester Almshouse Charities

Reference and administrative details of the Charity, its Trustees and advisers for the year ended 31 December 2023

Trustees

Michael Robin Bailey (deceased 29 July 2023)
Alex Clarabut
Barrie James Fewtrell (resigned 25 January 2024)
Catherine Mary Gore (resigned 14 December 2023)
Shirley Gurteen
Liz Janz
Colin McCarthy
Keith Povey
Linda Reay
Peter James Smith
Kamaldeep Tesse

Charity registered number

212828

Principal office

Administrative Offices
Watts Almshouses
Maidstone Road
Rochester
Kent
ME1 1SE

Chief executive officer

Martin Sissons

Independent auditor

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU

Bankers

Barclays Business Banking
263-265 High Street
Chatham
Kent
ME4 4BZ

CCLA Investment Management
1 Angel Lane
London
EC4R 3AB

Richard Watts and the City of Rochester Almshouse Charities

Reference and administrative details of the Charity, its Trustees and advisers (continued) for the year ended 31 December 2023

Solicitors

Brachers LLP
Somerfield House
59 London Road
Maidstone
Kent
ME16 8JH

Stockbrokers

Canaccord Genuity Wealth Ltd
41 Lothbury
London
EC2R 7AE

Building Surveyors

Consult Construct Ltd
Gunpowder Works
Off Bysing Wood Road
Faversham
Kent
ME13 7UD

Chartered Valuation Surveyors

Sibley Pares Chartered Surveyors
1 Ashford Road
Maidstone
Kent
ME13 5BJ

Insurance Brokers

Erskine Murray Ltd
MW House
1 Penman Way
Grove Park
Leicester
LE19 1SY

Richard Watts and the City of Rochester Almshouse Charities

Trustees' report for the year ended 31 December 2023

The Trustees present their annual report together with the audited financial statements of the Richard Watts and the City of Rochester Almshouse Charities (the "Charity") for the year ended 31 December 2023.

Objectives and activities

a. Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The charity is regulated by a Scheme of the Charity Commissioners (see "Constitution" section on page 7), which provides for the net income, after payment of certain specified expenses, to be applied by the Trustees for the benefit of the residents of the Almshouses or for relief in sickness or in need of persons resident in the area formerly known as the City of Rochester (hereafter called "the City"). A subsequent Charity Commission Scheme dated 23 August 2016 states that "the City" includes those who are resident in postcode areas ME1 and ME2.

There have been no changes in the Charity's objectives since the last annual report.

b. Grant-making policies

The Scheme states that the Charity can only accept applications for funding of projects and grants from within the ME1 and ME2 postcode areas and from those assisting persons resident in these postcode areas.

Achievements and performance

a. Key performance indicators

The Trustees monitor the Charity's performance throughout the year. KPIs have been identified for each of the Board Committees. The following KPIs are reviewed annually:

House and Grants

Achieve at least 95% occupancy of almshouse accommodation - result for 2023 was 96.5%.

Allocate and spend at least 90% of the Grant Funds - result for 2023 was 91.79%.

Estates/Health & Safety

Arrears level to be kept to a minimum – seek speedy settlement of rents owed - achieve at least 95% of all rents due - result for 2023 was 85.62%.

Achieve at least 95% occupancy of all commercial and residential properties - result for 2023 was 98.72%.

Finance & Investment

In the context of the Annual Budget, the Income, Expenditure & the net out-turn to be + or – 10% of projections - result for 2023 was -5.6% on expenditure and +6.6% on income.

Balance of unrestricted Income Funds to be at least 6 months' running costs (50% budgeted expenditure for the year) - result for 2023 was approximately 12 months.

Investment Income to be achieved within + or - 10% of the PIMFA (Personal Investment Management and Financial Advice Association) Income Yield - result for 2023 out performed this at 32.5%.

Remuneration & Staffing

Overtime costs to be no more than 4% of the total wage bill - result for 2023 was 1.45%.

Staff sickness rates to be less than 5% - result for 2023 was 3.8%.

Trustee Commitment

Meeting attendance – overall 85% attendance pa - result for 2023 was 69%.

Less than 12.5% turnover (excluding scheduled retirements) - result for 2023 was 8.3%.

Richard Watts and the City of Rochester Almshouse Charities

Trustees' report (continued) for the year ended 31 December 2023

Achievements and performance (continued)

b. Review of activities

The Charities, which have now been in operation in the ME1 and ME2 area of Medway in Kent for almost 450 years, continue to thrive under the governance of a Board of mostly local Trustees.

The organisation's specific aims are set out in what is known as the 1977 Scheme which is published in full on the Charity Commission website. The aims and objectives of the organisation remain the same which are to help local people have access to affordable housing when they reach state retirement age and that those in need in the local community are supported either directly or indirectly through other organisations.

The organisation manages 67 Almshouses which are on four different sites in central Rochester. To qualify for the Almshouses applicants need to meet the following criteria

- Be resident in ME1 or ME2 or looking to move back to be closer to family.
- Be of state pensionable age
- Be in good health and be able to live independently.
- Have a low income and have savings below a set amount.
- To not own their own property

In addition, the organisation supports local people through the delivery of a number of different services for those most in need in ME1 and ME2. These include:

- Grants to organisations
- Grants to families and others in need
- Grants to local schools
- A Home Help service

The organisation is going through a modernisation process and as such will be reviewing its service delivery to ensure it is still relevant and needed in the local community. The Board discussed and agreed a new 5 year strategy during the year, which was close to finalisation at year end.

This year also saw the appointment of a Deputy CEO to take a lead on all aspects of Estates Management including Health and Safety issues which has brought much needed capacity to the staff team.

Operational Delivery

The operations for the organisation are delegated by the Board to the CEO and their team of staff which include:

- Deputy CEO
- Finance Manager
- Senior Warden
- Site Manager
- Home Help Service Coordinator
- Grants Administrator

In addition, there are teams of wardens, gardeners, home helps and domestic staff to ensure the smooth running of all services.

Richard Watts and the City of Rochester Almshouse Charities

Trustees' report (continued) for the year ended 31 December 2023

Achievements and performance (continued)

Overview

The results for the year show a deficit on unrestricted funds before investment gains of £7,793 and a surplus on endowment funds of £3,869 meaning that there is an overall deficit before investment gains amounting to £3,924 (2022: £47,725).

Incoming resources increased from £1,279,976 in 2022 to £1,416,871 in 2023. Investment Income increased by £28,336 to £965,178 whilst income from charitable activities increased to £361,297.

Total resources expended increased from £1,327,701 to £1,420,795 in 2023.

At year end the charity's investments comprised investment properties of £13,292,500 and listed investments of £7,310,513.

Gains in the above investments together with the deficit for the year, resulted in a surplus of £190,802 to be added to total funds brought forward, meaning the total net assets at 31 December 2023 were £25,401,950. Endowment funds totalled £23,557,263 (2022 - £23,379,173), designated funds totalled £635,279 (2022 - £674,740) and general funds totalled £1,209,408 (2022 - £1,157,235).

Funding our work

The organisation is self-funding through investments. These investments take a variety of forms and range from stocks and shares to commercial properties. The investment income funds the services we deliver to the local community and support the operations of the Almshouses, the provision of which is heavily subsidised by the organisation.

The attached accounts provide detailed information about the organisation's financial performance.

The Finance and Investment Committee also took the decision to take advantage of the high interest rates on offer and opened a deposit account with CCLA; an investment management firm who offer deposit accounts as well as an investment management service.

c. Safeguarding

Prioritising safeguarding is fundamental to the way the Charity operates. Whether it is how residents are treated by staff with daily checks on their wellbeing or looking after their long term best interests when they are facing illness, including dementia, or whether it is the attitude of Trustees and the decisions they take when assessing grant applicants or even the way Site staff deal with tenants at rental properties who are experiencing difficulties, safeguarding and protecting people come first. Health and safety permeates every aspect of the organisation.

d. Investment policy and performance

The principal objective is to invest funds for capital growth whilst maintaining income levels sufficient to assist in meeting the expenditure of the Charity and the minimum level of reserves. To assist in the objective, the Board of Trustees appoints advisers upon such terms as deemed appropriate to make recommendations as to the sale and/or purchase of investment holdings. Should the likely income be more than sufficient to meet the above requirements then consideration may be given to investing a proportion of the available funds in more growth orientated funds with a switch back to greater income producing funds should the need arise.

The Trustees regularly review the investment returns and actual income and expenditure against budgets.

Richard Watts and the City of Rochester Almshouse Charities

Trustees' report (continued) for the year ended 31 December 2023

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The 'reserves' of the Charity are the resources that are available to spend on the Charity's purposes once all commitments have been met and planned expenditure covered. They do not include the Endowment or Designated Funds.

The balance of the reserves is maintained in the Unrestricted Income Funds as adjusted for the surplus for the year after transfers. The Charity has a commitment to maintain its properties in good repair, to apply the Charity's income for the benefit of the Almshouse residents and to meet reasonable requests under grant making provisions. To ensure that those commitments may continue to be met should there be a temporary fall in Property and/or Investment Income and/or the need for unplanned expenditure, it is the Trustees' policy that the balance of the Unrestricted Income Funds be maintained between 6 months' and one year's running costs.

Such range is based on past experience and forward financial projections over the next five year period. It is the responsibility of the Finance and Investment Committee to consider that range annually based on the updated five year projections and any agreed development plans and make any appropriate recommendations to the Board of Trustees.

At 31 December 2023 the general reserves amounted to £1,201,582 (see note 20) which is slightly lower than one year's running costs.

Endowment Funds

These comprise the Permanent Endowments of the Charity.

Designated Funds

Cyclical Maintenance Fund

Established under the Charity Commissioner's Scheme to provide for the ordinary maintenance of the Poor Traveller's House and the Almshouses belonging to the Charity.

Extraordinary Repairs Fund

Established compulsorily under the Charity Commissioner's Scheme to provide for the extraordinary repair, improvement or rebuilding of the Poor Traveller's House and the Almshouses.

General Repairs Fund

Established voluntarily under the Charity Commissioner's Scheme to provide for the extraordinary repair, improvement or rebuilding of the property belonging to the charities other than the Almshouses.

Planned Maintenance Fund

Established in 1985 in accordance with provisions in the leases to provide for the maintenance, major repair and refurbishment works to certain properties in the High Street, Chatham. The fund comprises leaseholders' service charge payments.

Memorial Fund

Established voluntarily in 2014, this fund comprises legacies and in memoriam gifts to be applied to projects for the enjoyment of residents and staff.

Richard Watts and the City of Rochester Almshouse Charities

Trustees' report (continued) for the year ended 31 December 2023

Financial review (continued)

Poor Travellers' House Fund

This fund comprises donations received at the House which are applied to the acquisition of small items for the House and garden.

Apprenticeship Support Fund

This fund comprises a grant received towards work with apprentices.

Structure, governance and management

a. Constitution

The Charity was originally founded under the will of Richard Watts in 1579. It is regulated by a Scheme of the Charity Commissioners dated 29 November 1977 when the Charities of Richard Watts, Sir John Hayward's Almshouses and St. Catherine's Hospital were grouped for administration purposes. The Charity is linked with the Sir John Hayward and Richard Watts Educational Charities and the William Mantle Trust following an order issued by the Charity Commission in 2015. The Charity Commission amended the Scheme on 23 August 2016 to clarify that any reference to the City of Rochester includes those who are resident in postcode areas ME1 and ME2. Finally, in January 2018, the Charity Commission agreed that those people who wished to return to Rochester to be close to their friends and family in their old age, but who at the time of applying do not themselves live within ME1 or ME2, could be considered.

b. Methods of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Charity Commission Scheme.

c. Organisational structure and decision-making policies

The organisation had undertaken a governance review in 2019. As a result it reduced the number of meetings Trustees attended each year although the Committee areas of authority remained the same. The Committees which report into the Trustee Board are:

- Estates
- Finance and Investment
- House and Grants
- Remuneration and Staffing

The full list of Trustees is below.

Trustees - 2023

- Linda Reay – Chair and Vice Chair of Remuneration and Staffing
- Robin Michael Bailey - Chair of Estates
- Peter James Smith – Vice Chair and Chair of Finance and Investment
- Alex Clarabut – Vice Chair of Estates
- Catherine Mary Gore – Chair of House and Grants
- Elizabeth Janz – Vice Chair of House and Grants
- Colin McCarthy – Chair of Remuneration and Staffing
- Kamaldeep Tesse
- Barrie James Fewtrell
- Keith Povey - Vice Chair of Finance and Investment
- Shirley Gurteen
- Tim Newman - (appointed 22 June 2023)

Richard Watts and the City of Rochester Almshouse Charities

Trustees' report (continued) for the year ended 31 December 2023

Structure, governance and management (continued)

Trustees - Changes

- Catherine Gore - (resigned 14 December 2023)
- Barrie Fewtrell - (resigned 25 January 2024)
- Michael Robin Bailey - Chair of Estates (Passed away 29 July 2023)

The Trustee Board would like to acknowledge Michael's contribution to the governance of the organisation over his thirty years of service to the Charities.

The Charities also undertook formal Trustee Recruitment for the first time through a specialist recruitment agency with three Trustees being invited to join the board on a probationary basis in December 2023 following the successful recruitment campaign.

Each Committee focusses on a specific area of operation for the organisation and advises both the Board and the CEO regarding both major operational and strategic decisions. The organisation also contracts a number of professional advisors to provide expert and relevant advice regarding operations and strategy.

d. Policies adopted for the induction and training of Trustees

All Trustees are encouraged to attend training courses and seminars on a regular basis. All Trustees have Trustee Handbooks that they keep up to date with all relevant policies, accounts and other background information about the Charity.

e. Related party relationships

Trustees regularly "declare an interest" as appropriate and all have completed the questionnaire.

f. Risk management

The Charity's Trustees have given consideration to the major risks to which the Charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks. In order to do this they review annually the major risks and their potential impacts on the way Trustees, supporters or beneficiaries might deal with the Charity. The risks fall into the following categories:

- Governance – from problems recruiting Trustees to adherence to the Scheme
- Operations – from computer systems failure to personal safety
- Finances – from shortfalls in income to insurance cover
- External factors – from adverse publicity to impact of local government policies
- Compliance with law and regulation – from Data Protection to Health & Safety and building compliance

In addition to the above, other issues of Compliance, Risk and Assurance were highlighted and addressed during the year through a dedicated project group including Trustees, External Consultants and Staff. Amongst other outcomes, it helped to identify and establish the following

- A new IT infra structure based on Office 365
- An e-learning platform to address the mandatory training needs of all staff and trustees.
- HR Consultancy Support and Advice
- Health and Safety Consultancy
- The opportunity for Organisational wide Compliance improvements

Richard Watts and the City of Rochester Almshouse Charities

Trustees' report (continued) for the year ended 31 December 2023

Plans for future periods

The organisation has started an incorporation process with the support of Furley Page LLP, a law firm specialising in supporting charities through this process. This could have a major impact on the governance structure for the organisation in the coming years and will form part of the 5 year strategy review. This will be the focus for the coming year, albeit there is no indication of a date that incorporation could happen at this current moment.

Statement of Trustees' responsibilities

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

The law applicable to charities in England & 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 its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the Charity's transactions and 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.

Auditor

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Keith Povey
Chair

Date: 29 October 2024

Richard Watts and the City of Rochester Almshouse Charities

Independent auditor's report to the Trustees of Richard Watts and the City of Rochester Almshouse Charities

Opinion

We have audited the financial statements of Richard Watts and the City of Rochester Almshouse Charities (the 'charity') for the year ended 31 December 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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, including Financial Reporting Standard 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 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has 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 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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 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 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.

Richard Watts and the City of Rochester Almshouse Charities

Independent auditor's report to the Trustees of Richard Watts and the City of Rochester Almshouse Charities (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

- the information given in the Trustees' report 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; 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 10, the Trustees are responsible for the preparation of 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.

Independent auditor's report to the Trustees of Richard Watts and the City of Rochester Almshouse Charities (continued)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor 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 an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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:

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the charity and the charitable sector generally, and through discussion with the trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, GDPR and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charity SORP 2019 and other charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to fraudulently or erroneously amending income and expenditure levels. Audit procedures performed by the engagement team included:

- Discussions with management and Trustees and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation; and
- Conducting interviews with appropriate personnel to gain further insight into the control systems implemented, and the risk of irregularity; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Physical inspection of tangible assets susceptible to fraud or irregularity; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions.

Richard Watts and the City of Rochester Almshouse Charities

Independent auditor's report to the Trustees of Richard Watts and the City of Rochester Almshouse Charities (continued)

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Chatham Maritime

Date: 30 October 2024

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

Richard Watts and the City of Rochester Almshouse Charities

Statement of financial activities for the year ended 31 December 2023

	Note	Unrestricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:					
Donations and legacies	4	396	-	396	26,510
Charitable activities	5	361,297	-	361,297	316,624
Investments	6	951,449	13,729	965,178	936,842
Other income	7	90,000	-	90,000	-
Total income and endowments		1,403,142	13,729	1,416,871	1,279,976
Expenditure on:					
Raising funds	8,9	298,345	-	298,345	271,059
Charitable activities	11	1,112,590	9,860	1,122,450	1,056,642
Total expenditure		1,410,935	9,860	1,420,795	1,327,701
Net (expenditure)/income before net gains/(losses) on investments		(7,793)	3,869	(3,924)	(47,725)
Net gains/(losses) on investments		20,505	174,221	194,726	(1,175,942)
Net movement in funds		12,712	178,090	190,802	(1,223,667)
Reconciliation of funds:					
Total funds brought forward		1,831,975	23,379,173	25,211,148	26,434,815
Net movement in funds		12,712	178,090	190,802	(1,223,667)
Total funds carried forward		1,844,687	23,557,263	25,401,950	25,211,148

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 17 to 37 form part of these financial statements.

Richard Watts and the City of Rochester Almshouse Charities

Balance sheet as at 31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	3,476,123	3,476,123
Investments	16	7,310,513	7,511,827
Investment property	15	13,292,500	13,558,500
		<u>24,079,136</u>	<u>24,546,450</u>
Current assets			
Debtors	17	310,952	267,493
Cash at bank and in hand	24	1,334,895	678,131
		<u>1,645,847</u>	<u>945,624</u>
Creditors: amounts falling due within one year	18	(292,802)	(263,815)
Net current assets		<u>1,353,045</u>	<u>681,809</u>
Creditors: amounts falling due after more than one year	19	(30,231)	(17,111)
Net assets		<u>25,401,950</u>	<u>25,211,148</u>
Charity funds			
Endowment funds	20	23,557,263	23,379,173
Unrestricted funds	20	1,844,687	1,831,975
Total funds		<u>25,401,950</u>	<u>25,211,148</u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


Keith Povey
Chair

Date: 29 October 2024

The notes on pages 17 to 37 form part of these financial statements.

Richard Watts and the City of Rochester Almshouse Charities

Statement of cash flows for the year ended 31 December 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	23	(1,060,454)	(1,176,900)
Cash flows from investing activities			
Dividends, interests and rents from investments		965,178	936,842
Proceeds from sale of investments		693,242	405,202
Purchase of investments		(297,202)	(209,674)
Proceeds from sale of investment property		361,000	-
Purchase of investment property		(5,000)	-
Net cash provided by investing activities		1,717,218	1,132,370
Change in cash and cash equivalents in the year		656,764	(44,530)
Cash and cash equivalents at the beginning of the year		678,131	722,661
Cash and cash equivalents at the end of the year	24	1,334,895	678,131

The notes on pages 17 to 37 form part of these financial statements

Richard Watts and the City of Rochester Almshouse Charities

Notes to the financial statements for the year ended 31 December 2023

1. General information

Richard Watts and the City of Rochester Almshouse Charities is a Charity registered in England. The Charity's registered address is Administrative Offices, Watts Almshouses, Maidstone Road, Rochester, Kent ME1 1SE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Richard Watts and the City of Rochester Almshouse Charities meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e., whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Income

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

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**Notes to the financial statements
for the year ended 31 December 2023**

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Net Gains/(Losses) on investments' in the Statement of financial activities.

2.6 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.

2.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.8 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 in the Statement of financial activities as a finance cost.

**Notes to the financial statements
for the year ended 31 December 2023**

2. Accounting policies (continued)

2.9 Financial instruments

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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.10 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.11 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the Trustees' Report.

Endowment funds comprise the permanent endowments of the Charity.

2.12 Freehold properties - Almshouses

Freehold properties are included at valuation as at 1 January 1973 or 31 December 1977 or at subsequent cost as detailed in note 14 to the financial statements.

Freehold properties are not depreciated. In no case is the estimated useful life of the building less than fifty years and the estimated residual value is likely to be more than the amount at which the properties are carried in the balance sheet. Any depreciation would, therefore, be immaterial and no provision has been made in the financial statements.

2.13 Investment properties

Investment properties are long-term assets, which generate income. They are included at market value in accordance with the Statement of Recommended Practice on accounting by charities. Please see note 15 to the financial statements.

2.14 Furniture and equipment

The cost of furniture and equipment has been charged to the Statement of Financial Activities on acquisition.

**Notes to the financial statements
for the year ended 31 December 2023**

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Investment properties at Market value

The Charity holds investment property with fair value of £13,292,500 at the year end (see note 15). In order to determine the fair value of investment property the Charity has engaged independent valuation specialists with experience in the location and nature of the property being valued. They have used a valuation technique based on comparable market data. The determined fair value of the investment property is most sensitive to fluctuations in the property market.

Tangible fixed assets - Cost model

The Charity has recognised tangible fixed assets with a carrying value of £3,476,123 at the reporting date (see note 14). These assets are stated at their cost less provision for depreciation and impairment. The Charity's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the Charity determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors such as the expected use of the acquired asset and market conditions. At subsequent reporting dates the Trustees consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the Charity undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the Charity's forecasts for the foreseeable future which do not include any restructuring activities that the Charity is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

Richard Watts and the City of Rochester Almshouse Charities

Notes to the financial statements for the year ended 31 December 2023

4. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	396	396	26,510
	<u>396</u>	<u>396</u>	
Total 2022	26,510	26,510	
	<u>26,510</u>	<u>26,510</u>	

5. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Residents' maintenance contributions	330,562	330,562	284,808
Home Help income	30,735	30,735	25,066
Other income	-	-	6,750
	<u>361,297</u>	<u>361,297</u>	<u>316,624</u>
	<u>361,297</u>	<u>361,297</u>	
Total 2022	316,624	316,624	
	<u>316,624</u>	<u>316,624</u>	

Richard Watts and the City of Rochester Almshouse Charities

Notes to the financial statements for the year ended 31 December 2023

6. Investment income

	Unrestricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
Rents receivable	680,132	-	680,132	688,003
Service charges receivable	16,283	-	16,283	10,461
Income from listed investments	242,668	13,729	256,397	228,426
Insurances recoverable	12,366	-	12,366	9,952
	<u>951,449</u>	<u>13,729</u>	<u>965,178</u>	<u>936,842</u>
Total 2022	<u>924,896</u>	<u>11,946</u>	<u>936,842</u>	

7. Other incoming resources

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Profit on disposal of investment property	<u>90,000</u>	<u>90,000</u>	<u>-</u>

Richard Watts and the City of Rochester Almshouse Charities

Notes to the financial statements for the year ended 31 December 2023

8. Property expenditure

Costs of raising voluntary income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Commercial property repairs and maintenance	42,702	42,702	42,418
Residential property repairs and maintenance	120,448	120,448	73,264
Voids expenditure	(16,663)	(16,663)	27,261
Rent payable	1,471	1,471	1,471
Insurances	25,250	25,250	18,386
Land and estate agents	20,178	20,178	22,397
Solicitors	57,991	57,991	13,413
Surveyors	26,756	26,756	29,341
Bad debts	(14,627)	(14,627)	16,828
Sundry expenses	12,540	12,540	43
H&S Consultancy	3,687	3,687	998
HR Advisors	4,170	4,170	-
	<u>283,903</u>	<u>283,903</u>	<u>245,820</u>
Total 2022	<u>245,820</u>	<u>245,820</u>	

Richard Watts and the City of Rochester Almshouse Charities

Notes to the financial statements for the year ended 31 December 2023

9. Investment management costs

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Stockbroker's fees	14,442	14,442	25,239
Total 2022	25,239	25,239	

10. Analysis of grants

	Grants to Institutions 2023 £	Grants to Individuals 2023 £	Total funds 2023 £	Total funds 2022 £
Grants payable	75,301	6,118	81,419	67,638
Total 2022	60,417	7,221	67,638	

Richard Watts and the City of Rochester Almshouse Charities

Notes to the financial statements for the year ended 31 December 2023

11. Analysis of expenditure by activities

	Direct costs 2023 £	Grants payable (note 10) 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Almshouse	576,067	81,419	382,449	1,039,935	970,590
Outpensions	26,515	-	-	26,515	27,915
Home Help	40,827	-	-	40,827	32,353
Poor Traveller's House	15,173	-	-	15,173	25,784
	<u>658,582</u>	<u>81,419</u>	<u>382,449</u>	<u>1,122,450</u>	<u>1,056,642</u>
Total 2022	<u>681,041</u>	<u>67,638</u>	<u>307,963</u>	<u>1,056,642</u>	

Analysis of direct costs

	Almshouse 2023 £	Out- pensions 2023 £	Home Help 2023 £	Poor Traveller's House 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	222,297	-	40,319	2,945	265,561	288,530
General and water rates	14,412	-	-	2,475	16,887	14,817
Insurances	22,037	-	-	1,793	23,830	17,671
Oil, gas and electricity	71,893	-	-	2,271	74,164	66,470
Repairs, maintenance and cleaning	179,942	-	-	2,757	182,699	190,750
Garden upkeep	6,852	-	-	-	6,852	11,157
Telephone	4,293	-	-	610	4,903	2,525
Sundry expenses	12,777	-	508	2,322	15,607	14,781
Outpensions	-	26,515	-	-	26,515	27,915
Health and safety	41,564	-	-	-	41,564	46,425
	<u>576,067</u>	<u>26,515</u>	<u>40,827</u>	<u>15,173</u>	<u>658,582</u>	<u>681,041</u>
Total 2022	<u>594,989</u>	<u>27,915</u>	<u>32,353</u>	<u>25,784</u>	<u>681,041</u>	

Richard Watts and the City of Rochester Almshouse Charities

Notes to the financial statements for the year ended 31 December 2023

11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	258,119	218,626
Printing, stationery and advertising	4,986	6,467
General and water rates	910	283
Telephone	3,234	2,973
Oil, gas and electricity	4,171	3,053
Insurance	14,654	16,963
Furniture	16	900
Repairs	3,507	5,810
Office machinery	16,104	9,228
Legal and professional fees	29,379	16,932
Sundry expenses	1,269	4,539
Computer equipment	30,355	10,007
Health and safety	745	110
Auditors' remuneration	13,200	9,054
Auditors' remuneration - non audit	1,800	3,018
	382,449	307,963

Richard Watts and the City of Rochester Almshouse Charities

Notes to the financial statements for the year ended 31 December 2023

12. Staff costs

	2023 £	2022 £
Wages and salaries	446,805	435,233
Social security costs	36,072	29,763
Other pension costs	40,803	42,160
	<u>523,680</u>	<u>507,156</u>

The average number of persons employed by the Charity during the year was as follows:

2023 No.	2022 No.
<u>25</u>	<u>25</u>

The average headcount expressed as full-time equivalents was:

2023 No.	2022 No.
<u>15</u>	<u>15</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023 No.	2022 No.
In the band £60,001 - £70,000	1	-

During the year, the five (2022 - five) key management personnel received remuneration and benefits, including employer's national insurance contributions, of £223,186 (2022 - £172,945).

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 December 2023, no Trustee expenses have been incurred (2022 - £NIL).

Richard Watts and the City of Rochester Almshouse Charities

Notes to the financial statements for the year ended 31 December 2023

14. Tangible fixed assets

	Freehold property £
Cost or valuation	
At 1 January 2023	3,476,123
At 31 December 2023	<u>3,476,123</u>
Net book value	
At 31 December 2023	<u>3,476,123</u>
At 31 December 2022	<u>3,476,123</u>

Cost and valuation figures include valuations made by the Clerk to the Trustees as at 1 January 1973 and 31 December 1977. The valuation at 1 January 1973 revalued all properties held at that date (£103,200) and the valuation at 31 December 1977 comprised the properties held within Sir John Hayward's Almshouses and St Catherine's Hospital following the amalgamation of the Charities on 29 November 1977 (£130,000). The balance of £3,242,923 comprises subsequent additions at cost.

Richard Watts and the City of Rochester Almshouse Charities

Notes to the financial statements for the year ended 31 December 2023

15. Investment property

	Freehold investment property £
Valuation	
At 1 January 2023	13,558,500
Additions	5,000
Disposals	(271,000)
At 31 December 2023	13,292,500

The investment properties were valued in 2020 by an independent firm of Chartered Surveyors on an open market value for existing use basis. The Trustees are satisfied that the valuation remains relevant and free from material misstatement.

16. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2023	7,511,827
Additions	297,202
Disposals	(738,681)
Revaluations	240,165
At 31 December 2023	7,310,513
Net book value	
At 31 December 2023	7,310,513
At 31 December 2022	7,511,827

Richard Watts and the City of Rochester Almshouse Charities

Notes to the financial statements for the year ended 31 December 2023

17. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	74,650	60,091
Other debtors	-	218
Prepayments and accrued income	182,168	163,769
Insurance recoverable	54,134	43,415
	<u>310,952</u>	<u>267,493</u>

18. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	38,090	9,445
Other taxation and social security	1,900	4,652
Accruals and deferred income	252,812	249,718
	<u>292,802</u>	<u>263,815</u>
Deferred income at 1 January 2023	141,538	140,266
Income deferred during the year	139,467	120,621
Amounts released from previous periods	(120,621)	(119,349)
Deferred income at 31 December 2023	<u>160,384</u>	<u>141,538</u>

19. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Other creditors	30,231	17,111

Notes to the financial statements
for the year ended 31 December 2023

20. Statement of funds

Statement of funds - current year

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2023 £
Designated funds						
Cyclical Maintenance Fund	65,950	5,940	-	-	-	71,890
Extraordinary Repairs Fund	148,846	1,130	(70,629)	50,000	(7,485)	121,862
General Repairs Fund	275,436	7,699	(35,676)	15,000	(8,683)	253,776
Planned Maintenance Fund	120,605	15,673	(25,945)	13,160	-	123,493
Memorial Fund	57,513	355	-	-	-	57,868
Poor Travellers House Fund	451	-	-	-	-	451
Apprenticeship Support Fund	5,939	-	-	-	-	5,939
	674,740	30,797	(132,250)	78,160	(16,168)	635,279
General funds						
General Income Fund	1,157,235	1,372,345	(1,278,685)	(78,160)	36,673	1,209,408
Total Unrestricted funds	1,831,975	1,403,142	(1,410,935)	-	20,505	1,844,687

Richard Watts and the City of Rochester Almshouse Charities

Notes to the financial statements for the year ended 31 December 2023

20. Statement of funds (continued)

Endowment funds						
Richard Watts	21,855,907	-	-	-	184,355	22,040,262
Chatham Intra	1,575	-	-	-	(61)	1,514
Sir John Hayward's Charitable Fund	593,950	-	-	-	(237)	593,713
St Catherine's Hospital	646,857	-	-	-	(6,396)	640,461
Sir John Hayward's Educational Charity	25,800	796	(200)	-	589	26,985
William Mantle Trust	255,084	12,933	(9,660)	-	(4,029)	254,328
	<u>23,379,173</u>	<u>13,729</u>	<u>(9,860)</u>	<u>-</u>	<u>174,221</u>	<u>23,557,263</u>
Total of funds	<u>25,211,148</u>	<u>1,416,871</u>	<u>(1,420,795)</u>	<u>-</u>	<u>194,726</u>	<u>25,401,950</u>

Richard Watts and the City of Rochester Almshouse Charities

Notes to the financial statements for the year ended 31 December 2023

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
Designated funds						
Cyclical Maintenance Fund	60,450	-	-	5,500	-	65,950
Extraordinary Repairs Fund	169,565	-	-	(22,015)	1,296	148,846
General Repairs Fund	273,756	8,912	-	-	(7,232)	275,436
Planned Maintenance Fund	141,815	10,461	(13,774)	(17,896)	-	120,606
Memorial Fund	58,513	-	(1,000)	-	-	57,513
Poor Travellers House Fund	3,451	-	(3,000)	-	-	451
Apprenticeship Support Fund	6,213	-	(274)	-	-	5,939
	<u>713,763</u>	<u>19,373</u>	<u>(18,048)</u>	<u>(34,411)</u>	<u>(5,936)</u>	<u>674,741</u>
General funds						
General Income Fund	<u>1,323,606</u>	<u>1,248,657</u>	<u>(1,299,793)</u>	<u>31,095</u>	<u>(146,331)</u>	<u>1,157,234</u>
Total Unrestricted funds	<u>2,037,369</u>	<u>1,268,030</u>	<u>(1,317,841)</u>	<u>(3,316)</u>	<u>(152,267)</u>	<u>1,831,975</u>

Richard Watts and the City of Rochester Almshouse Charities

Notes to the financial statements for the year ended 31 December 2023

20. Statement of funds (continued)

Endowment funds						
Richard Watts	22,852,641	-	-	-	(996,734)	21,855,907
Chatham Intra	1,626	-	-	-	(51)	1,575
Sir John Hayward's Charitable Fund	594,147	-	-	-	(197)	593,950
St Catherine's Hospital	652,184	-	-	-	(5,327)	646,857
Sir John Hayward's Educational Charity	29,747	635	(200)	51	(4,433)	25,800
William Mantle Trust	267,101	11,311	(9,660)	3,265	(16,933)	255,084
	<u>24,397,446</u>	<u>11,946</u>	<u>(9,860)</u>	<u>3,316</u>	<u>(1,023,675)</u>	<u>23,379,173</u>
Total of funds	<u>26,434,815</u>	<u>1,279,976</u>	<u>(1,327,701)</u>	<u>-</u>	<u>(1,175,942)</u>	<u>25,211,148</u>

**Notes to the financial statements
for the year ended 31 December 2023**

21. Summary of funds

Summary of funds - current year

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2023 £
Designated funds	674,740	30,797	(132,250)	78,160	(16,168)	635,279
General funds	1,157,235	1,372,345	(1,278,685)	(78,160)	36,673	1,209,408
Endowment funds	23,379,173	13,729	(9,860)	-	174,221	23,557,263
	25,211,148	1,416,871	(1,420,795)	-	194,726	25,401,950

Summary of funds - prior year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
Designated funds	713,763	19,373	(18,048)	(34,411)	(5,936)	674,741
General funds	1,323,606	1,248,657	(1,299,793)	31,095	(146,331)	1,157,234
Endowment funds	24,397,446	11,946	(9,860)	3,316	(1,023,675)	23,379,173
	26,434,815	1,279,976	(1,327,701)	-	(1,175,942)	25,211,148

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	3,476,123	3,476,123
Fixed asset investments	1,012,932	6,297,581	7,310,513
Investment property	-	13,292,500	13,292,500
Current assets	1,154,788	491,059	1,645,847
Creditors due within one year	(292,802)	-	(292,802)
Creditors due in more than one year	(30,231)	-	(30,231)
Total	1,844,687	23,557,263	25,401,950

**Notes to the financial statements
for the year ended 31 December 2023**

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	3,476,123	3,476,123
Fixed asset investments	1,221,935	6,289,892	7,511,827
Investment property	-	13,558,500	13,558,500
Current assets	890,966	54,658	945,624
Creditors due within one year	(263,815)	-	(263,815)
Creditors due in more than one year	(17,111)	-	(17,111)
Total	1,831,975	23,379,173	25,211,148

23. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	190,802	(1,223,667)
Adjustments for:		
Gains/(losses) on investments	(194,726)	1,175,942
Dividends, interest and rents from investments	(965,178)	(936,842)
Increase in debtors	(43,459)	(86,171)
Increase/(decrease) in creditors	42,107	(106,162)
Profit on disposal of investment property	(90,000)	-
Net cash used in operating activities	(1,060,454)	(1,176,900)

24. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	1,334,895	678,131

Richard Watts and the City of Rochester Almshouse Charities

Notes to the financial statements for the year ended 31 December 2023

25. Analysis of changes in net debt

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	678,131	656,764	1,334,895

26. Operating lease commitments

At 31 December 2023 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	976	976
Later than 1 year and not later than 5 years	732	1,708
	<u>1,708</u>	<u>2,684</u>

27. Related party transactions

During the year the Charity paid a grant of £100 (2022 - £100) to Rochester Grammar School for Girls Charity, of which Mr M Bailey was also a trustee. There were no amounts outstanding at the balance sheet date (2022 - £Nil).

During the year the Charity paid grants totalling £9,000 (2022 - £Nil) to Thinking Schools Academy Trust, of which Mr M Bailey was also a trustee. There were no amounts outstanding at the balance sheet date (2022 - £Nil).

During the year the Charity paid a grant of £Nil (2022 - £320) to Kent Nursing Institute, of which Mrs C Gore is also a trustee. There were no amounts outstanding at the balance sheet date (2022 - £Nil).

