

Charity number: 212828

Richard Watts and the City of Rochester Almshouse Charities

Trustees' report and financial statements

for the year ended 31 December 2024

Richard Watts and the City of Rochester Almshouse Charities

Contents

	Page
Reference and administrative details of the Charity, its Trustees and advisers	1 - 2
Trustees' report	3 - 9
Independent auditor's report on the financial statements	10 - 13
Statement of financial activities	14
Balance sheet	15
Statement of cash flows	16
Notes to the financial statements	17 - 37

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 2024

Trustees

Alex Clarabut
Barrie James Fewtrell (resigned 25 January 2024)
Shirley Gurteen
Liz Janz (resigned 31 December 2024)
Colin McCarthy
Keith Povey
Linda Reay
Peter James Smith
Kamaldeep Tesse (resigned 31 December 2024)
Timothy Newman
Carolyn Mary Sims (appointed 5 December 2024)
Richard Patteson-Knight (appointed 19 September 2024)
Ruth Curry (appointed 25 July 2024)

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
Maritime Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QZ

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 2024

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 2024

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 2024.

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

Key Performance Indicators, also known as KPIs, help to define and measure progress toward organisational goals. KPIs have been identified for each of the Board Committees. These will be monitored across the year and reported on annually.

The following represents our performance against our KPIs in the accounting period of 2024.

- Achieve at least 95% occupancy of the Almshouse accommodation 95.6%
- Allocate and spend at least 90% of the Grant Funds. 84.54%
- Arrears Level to be kept to a minimum – seek speedy settlement of rents owed and achieve at least 95% of all rents due. 83.81%
- Achieve at least 95% occupancy of all commercial and residential properties 96.86%
- In the context of the Annual Budget, the Income, Expenditure & the net out-turn to be + or – 10% of projections.
 - Expenditure 2.5%
 - Income -3.7%
- Balance of unrestricted Income Funds were maintained between 6 months' and one year's running costs.

Richard Watts and the City of Rochester Almshouse Charities

Trustees' report (continued) for the year ended 31 December 2024

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 aims and objectives of the organisation are to help those in need to 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

We are incredibly proud of our 450-year history and of our benefactor, Richard Watts, who set up the first charity during the reign of Queen Elizabeth I. The charities have continued to evolve during our long history and we are now taking further steps to modernise the charities, adopting the latest governance structure recommended by the Charity Commission, thereby ensuring we are fit for another 450 years. Concurrently, we have reviewed our Strategy and have applied to the Charity Commission to extend our geographical reach to the whole of Medway, to allow us to try and help more beneficiaries while ensuring our services are still relevant and needed in the local community.

Richard Watts and the City of Rochester Almshouse Charities is planning on transferring all operations, assets, contracts, and staff to a newly created Charitable Incorporated Organisation (CIO) on 1 April 2025. The new incorporated charity registered in September 2024 is called Richard Watts Charities CIO, but will operate under the name of Richard Watts Charities. This process of change is referred as the incorporation process and creates a legal identity for the charity, with much limited liability for individual trustees, and the foundation on which to develop our services further across the wider geographical area of Medway

The incorporation process will involve a new charity being established to which the staff and assets of the old charity will be transferred. Ultimately, we will continue to provide Almshouse accommodation, as we always have, albeit under a slightly different name – Richard Watts Charities CIO. We hope this modernisation and renewed focus will allow us better to support our existing beneficiaries while allowing us to extend our services into the wider Medway area.

Operational Delivery

The CEO and his team of staff manage the charities' operations. These staff include:

- Deputy CEO/Asset and Development Manager
- Finance Manager
- Senior Warden
- Site Manager
- Home Help Service Coordinator

**Trustees' report (continued)
for the year ended 31 December 2024**

Achievements and performance (continued)

- Grants Administrator
- HR Project Manager

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

Overview

The results for the year show a deficit on unrestricted funds before investment gains of £169,239 and a decrease on endowment funds of £203 meaning that there is an overall deficit before investments gains amounting to £169,442 (2023: £3,924).

Incoming resources increased from £1,416,871 in 2023 to £1,544,562 in 2024. Investment income increased by £87,543 to £1,052,721 whilst income from charitable activities increased to £402,637.

Total resources expended increased from £1,420,795 to £1,714,004 in 2024.

At year end the charity's investments comprised investment properties of £15,028,278 and listed investments of £7,338,801.

Gains in the above investments together with the deficit for the year, resulted in a surplus of £845,919 to be added to total funds brought forward, meaning the total net assets at 31 December 2024 were £27,283,087. Endowment funds totalled £25,555,310 (2023 - £22,4709,391 as restated), designated funds totalled £607,873 (2023 - £635,279) and general funds totalled £1,119,904 (2023 - £1,209,408).

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.

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 2024

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 2024 the general reserves amounted to £1,119,904 (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 2024

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 current governance structure is based on a committee structure which is outlined below.

In addition to full board meetings and an AGM, the following committees met at regular intervals through the year.

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

The full list of Trustees is below.

Trustees - 2024

- Keith Povey - Chair of the Board
- Tim Newman – Vice Chair of the Board of Trustees and Vice Chair of Estates
- Linda Reay – Vice Chair of Remuneration and Staffing
- Peter James Smith – Chair of Finance and Investment
- Alex Clarabut – Chair of Estates
- Colin McCarthy – Chair of Remuneration and Staffing
- Shirley Gurteen – Chair of House and Grants
- Ruth Curry – Vice Chair of Finance and Investments Committee -appointed 25th July 2024
- Richard Patteson-Knight – appointed 19th September 2024
- Carolyn Sims – Vice Chair of House and Grants – appointed 5th December 2024

Richard Watts and the City of Rochester Almshouse Charities

Trustees' report (continued) for the year ended 31 December 2024

Structure, governance and management (continued)

Trustees - Resigned

- Barrie Fewtrell - resigned 25th January 2024
- Kamaldeep Tesse – resigned 1st November 2024
- Eliabeth Janz – resigned 11th December 2024

We would like to extend our sincere thanks to Barrie, Kam and Liz for their magnificent help and guidance over many years.

Each Committee focusses on a specific area of operation for the organisation and advises both the Board and the CEO regarding major operational and strategic decisions. The organisation also employs 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 Trustee Board monitor risks at every Board and Committee Meeting with new risks being identified and agreed mitigation being reported upon. Each quarter one particular risk on the risk register is reviewed in detail to ensure organisational risks are being monitored and managed effectively.

Operational risks are managed through the senior management team for the organisation.

Plans for future periods

The new CIO has been established and on 1 April 2025 all assets were transferred to it from Richard Watts and the City of Rochester Almshouse Charities. As part of this process the objects for the organisation have been reviewed which have informed the plans for the new organisation.

- The reach of the organisation has been extended to cover the whole of the Medway Unitary Authority
- Restrictions have been lifted regarding some of the resources we have which are being allocated to our grants provision.
- We are actively disposing of some of our larger assets.
- Looking to establish new Almshouse provision in the wider community of the Medway Unitary Authority

All of the above changes should help us to meet our agreed Key performance Indications which are around supporting the local community.

In order to help us deliver on our plans we will also be reviewing the resources we have allocated to each area of our work to ensure we can continue to deliver and develop the services to our local community now that our reach has expanded to include the whole of the Medway Unitary Authority.

We are also planning to work in partnership with other organisations to achieve our goals.

Richard Watts and the City of Rochester Almshouse Charities

Trustees' report (continued) for the year ended 31 December 2024

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

Date: 15/05/25



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 2024 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 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis 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.

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

Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Chatham

Date: 16 May 2025

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 2024

		Unrestricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £	As restated Total funds 2023 £
	Note				
Income and endowments from:					
Donations and legacies	4	39,204	-	39,204	396
Charitable activities	5	402,637	-	402,637	361,297
Investments	6	1,043,064	9,657	1,052,721	965,178
Other income	7	50,000	-	50,000	90,000
Total income and endowments		1,534,905	9,657	1,544,562	1,416,871
Expenditure on:					
Raising funds	8,9	408,981	-	408,981	298,345
Charitable activities	11	1,295,163	9,860	1,305,023	1,122,450
Total expenditure		1,704,144	9,860	1,714,004	1,420,795
Net expenditure before net gains on investments		(169,239)	(203)	(169,442)	(3,924)
Net gains/(losses) on investments		52,329	846,122	898,451	1,346,854
Net movement in funds		(116,910)	845,919	729,009	1,342,930
Reconciliation of funds:					
Total funds brought forward		1,844,687	24,709,391	26,554,078	25,211,148
Net movement in funds		(116,910)	845,919	729,009	1,342,930
Total funds carried forward		1,727,777	25,555,310	27,283,087	26,554,078

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 2024

	Note	2024 £	As restated 2023 £
Fixed assets			
Tangible assets	14	3,476,123	3,476,123
Investments	16	7,338,801	7,310,513
Investment property	15	15,028,278	14,444,628
		<u>25,843,202</u>	<u>25,231,264</u>
Current assets			
Debtors	17	388,371	310,952
Cash at bank and in hand	24	1,339,011	1,334,895
		<u>1,727,382</u>	<u>1,645,847</u>
Creditors: amounts falling due within one year	18	(243,003)	(292,802)
Net current assets		<u>1,484,379</u>	<u>1,353,045</u>
Creditors: amounts falling due after more than one year	19	(44,494)	(30,231)
Net assets		<u>27,283,087</u>	<u>26,554,078</u>
Charity funds			
Endowment funds	20	25,555,310	24,709,391
Unrestricted funds	20	1,727,777	1,844,687
Total funds		<u>27,283,087</u>	<u>26,554,078</u>

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

Date: 15/05/25

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



Keith Povey

Richard Watts and the City of Rochester Almshouse Charities

Statement of cash flows for the year ended 31 December 2024

	Note	2024 £	As restated 2023 £
Cash flows from operating activities			
Net cash used in operating activities	23	(1,335,118)	(1,060,454)
Cash flows from investing activities			
Dividends, interests and rents from investments		1,052,721	965,178
Proceeds from sale of investments		2,465,474	693,242
Purchase of investments		(2,178,961)	(297,202)
Proceeds from sale of investment property		-	361,000
Purchase of investment property		-	(5,000)
Net cash provided by investing activities		1,339,234	1,717,218
Change in cash and cash equivalents in the year		4,116	656,764
Cash and cash equivalents at the beginning of the year		1,334,895	678,131
Cash and cash equivalents at the end of the year	24	1,339,011	1,334,895

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 2024

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 2024**

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 2024**

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 2024**

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 2024

4. Income from donations and legacies

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations	2,157	2,157	396
Legacies	37,047	37,047	-
	<u>39,204</u>	<u>39,204</u>	<u>396</u>
	<u><u>396</u></u>	<u><u>396</u></u>	
Total 2023			

5. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Residents' maintenance contributions	366,396	366,396	330,562
Home Help income	36,241	36,241	30,735
	<u>402,637</u>	<u>402,637</u>	<u>361,297</u>
	<u><u>361,297</u></u>	<u><u>361,297</u></u>	
Total 2023			

Richard Watts and the City of Rochester Almshouse Charities

Notes to the financial statements for the year ended 31 December 2024

6. Investment income

	Unrestricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £	Total funds 2023 £
Rents receivable	715,613	-	715,613	680,132
Service charges receivable	22,521	-	22,521	16,283
Income from listed investments	271,152	9,657	280,809	256,397
Insurances recoverable	33,778	-	33,778	12,366
	<u>1,043,064</u>	<u>9,657</u>	<u>1,052,721</u>	<u>965,178</u>
Total 2023	<u>951,449</u>	<u>13,729</u>	<u>965,178</u>	

7. Other incoming resources

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Profit on disposal of investment property	-	-	90,000
Dilapidation income	50,000	50,000	-
	<u>50,000</u>	<u>50,000</u>	<u>90,000</u>
Total 2023	<u>90,000</u>	<u>90,000</u>	

Notes to the financial statements
for the year ended 31 December 2024

8. Property expenditure

Costs of raising voluntary income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Commercial property repairs and maintenance	89,017	89,017	42,702
Residential property repairs and maintenance	95,149	95,149	120,448
Voids expenditure	21,734	21,734	(16,663)
Rent payable	1,471	1,471	1,471
Insurances	48,122	48,122	25,250
Land and estate agents	16,643	16,643	20,178
Solicitors	24,046	24,046	57,991
Surveyors	21,251	21,251	26,756
Bad debts	47,569	47,569	(14,627)
Sundry expenses	2,383	2,383	12,540
H&S Consultancy	713	713	3,687
HR Advisors	5,781	5,781	4,170
	<u>373,879</u>	<u>373,879</u>	<u>283,903</u>
Total 2023	<u>283,903</u>	<u>283,903</u>	

Richard Watts and the City of Rochester Almshouse Charities

Notes to the financial statements for the year ended 31 December 2024

9. Investment management costs

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Stockbroker's fees	35,102	35,102	14,442
	<u> </u>	<u> </u>	<u> </u>
Total 2023	14,442	14,442	
	<u> </u>	<u> </u>	

10. Analysis of grants

	Grants to Institutions 2024 £	Grants to Individuals 2024 £	Total funds 2024 £	Total funds 2023 £
Grants paid	86,900	3,894	90,794	81,419
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2023	75,301	6,118	81,419	
	<u> </u>	<u> </u>	<u> </u>	

**Notes to the financial statements
for the year ended 31 December 2024**

11. Analysis of expenditure by activities

	Direct costs 2024 £	Grants payable (note 10) 2024 £	Support costs 2024 £	Total funds 2024 £	Total funds 2023 £
Almshouse	684,432	90,794	422,892	1,198,118	1,039,935
Outpensions	22,400	-	-	22,400	26,515
Home Help	73,638	-	-	73,638	40,827
Poor Traveller's House	10,867	-	-	10,867	15,173
	791,337	90,794	422,892	1,305,023	1,122,450
Total 2023	658,582	81,419	382,449	1,122,450	

Analysis of direct costs

	Almshouse 2024 £	Out- pensions 2024 £	Home Help 2024 £	Poor Traveller's House 2024 £	Total funds 2024 £	Total funds 2023 £
Staff costs	247,538	-	73,448	-	320,986	265,561
General and water rates	17,471	-	-	3,281	20,752	16,887
Insurances	26,250	-	-	2,242	28,492	23,830
Oil, gas and electricity	100,638	-	-	616	101,254	74,164
Repairs, maintenance and cleaning	250,923	-	-	1,760	252,683	182,699
Garden upkeep	7,859	-	-	-	7,859	6,852
Telephone	6,155	-	-	798	6,953	4,903
Sundry expenses	9,035	-	190	2,170	11,395	15,607
Outpensions	-	22,400	-	-	22,400	26,515
Health and safety	18,563	-	-	-	18,563	41,564
	684,432	22,400	73,638	10,867	791,337	658,582
Total 2023	576,067	26,515	40,827	15,173	658,582	

Notes to the financial statements
for the year ended 31 December 2024

11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2024 £	Total funds 2023 £
Staff costs	285,683	258,119
Printing, stationery and advertising	4,705	4,986
General and water rates	775	910
Telephone	4,967	3,234
Oil, gas and electricity	4,206	4,171
Insurance	8,989	14,654
Furniture	614	16
Repairs	3,858	3,507
Office machinery	22,115	16,104
Legal and professional fees	53,091	29,379
Sundry expenses	2,064	1,269
Computer equipment	13,382	30,355
Health and safety	683	745
Auditors' remuneration	15,846	13,200
Auditors' remuneration - non audit	1,914	1,800
	422,892	382,449

**Notes to the financial statements
for the year ended 31 December 2024**

12. Staff costs

	2024	2023
	£	£
Wages and salaries	516,188	446,805
Social security costs	42,698	36,072
Other pension costs	47,783	40,803
	606,669	523,680

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

2024	2023
No.	No.
26	25

The average headcount expressed as full-time equivalents was:

2024	2023
No.	No.
15	15

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

	2024	2023
	No.	No.
In the band £60,001 - £70,000	1	1

During the year, the five (2023 - five) key management personnel received remuneration and benefits, including employer's national insurance contributions, of £265,952 (2023 - £223,186).

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 December 2024, no Trustee expenses have been incurred (2023 - £NIL).

**Notes to the financial statements
for the year ended 31 December 2024**

14. Tangible fixed assets

	Freehold property £
Cost or valuation	
At 1 January 2024	3,476,123
At 31 December 2024	3,476,123
Net book value	
At 31 December 2024	3,476,123
At 31 December 2023	3,476,123

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.

**Notes to the financial statements
for the year ended 31 December 2024**

15. Investment property

	Freehold investment property £
Valuation	
At 1 January 2024 (as restated)	14,444,628
Gain on revaluation	583,650
At 31 December 2024	15,028,278

The investment properties were valued in 2020 by an independent firm of Chartered Surveyors on an open market value for existing use basis. A formal valuation is to be undertaken during 2025. In the interim internal valuations have been completed.

16. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2024	7,310,513
Additions	2,178,961
Disposals	(2,431,242)
Revaluations	280,569
At 31 December 2024	7,338,801
Net book value	
At 31 December 2024	7,338,801
At 31 December 2023	7,310,513

**Notes to the financial statements
for the year ended 31 December 2024**

17. Debtors

	2024 £	2023 £
Due within one year		
Trade debtors	122,274	74,650
Other debtors	113	-
Prepayments and accrued income	209,917	182,168
Insurance recoverable	56,067	54,134
	388,371	310,952

18. Creditors: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	17,267	38,090
Other taxation and social security	2,584	1,900
Accruals and deferred income	223,152	252,812
	243,003	292,802

Deferred income at 1 January 2024	160,384	141,538
Income deferred during the year	137,767	139,467
Amounts released from previous periods	(139,322)	(120,621)
Deferred income at 31 December 2023	158,829	160,384

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

	2024 £	2023 £
Other creditors	44,494	30,231

Notes to the financial statements
for the year ended 31 December 2024

20. Statement of funds

Statement of funds - current year

	As restated Balance at 1 January 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2024 £
Designated funds						
Cyclical Maintenance Fund	71,890	3,902	-	5,500	-	81,292
Extraordinary Repairs Fund	121,862	7,548	(135,651)	91,848	-	85,607
General Repairs Fund	253,776	10,832	(27,123)	(41,931)	-	195,554
Planned Maintenance Fund	123,493	21,644	(13,678)	12,462	-	143,921
Memorial Fund	57,868	40,384	(3,143)	-	-	95,109
Poor Travellers House Fund	451	-	-	-	-	451
Apprenticeship Support Fund	5,939	-	-	-	-	5,939
	635,279	84,310	(179,595)	67,879	-	607,873
General funds						
General Income Fund	1,209,408	1,450,595	(1,524,549)	(67,879)	52,329	1,119,904
Total Unrestricted funds	1,844,687	1,534,905	(1,704,144)	-	52,329	1,727,777

Richard Watts and the City of Rochester Almshouse Charities

Notes to the financial statements for the year ended 31 December 2024

20. Statement of funds (continued)

Endowment funds						
Richard Watts	23,192,390	-	-	-	850,368	24,042,758
Chatham Intra	1,514	-	-	-	1	1,515
Sir John Hayward's Charitable Fund	593,713	-	-	-	2	593,715
St Catherine's Hospital	640,461	-	-	-	(1)	640,460
Sir John Hayward's Educational Charity	26,985	18	(200)	-	71	26,874
William Mantle Trust	254,328	9,639	(9,660)	-	(4,319)	249,988
	24,709,391	9,657	(9,860)	-	846,122	25,555,310
Total of funds	26,554,078	1,544,562	(1,714,004)	-	898,451	27,283,087

**Notes to the financial statements
for the year ended 31 December 2024**

20. Statement of funds (continued)

Statement of funds - prior year (as restated)

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	As restated Gains/ (Losses) £	As restated 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
	<u>674,740</u>	<u>30,797</u>	<u>(132,250)</u>	<u>78,160</u>	<u>(16,168)</u>	<u>635,279</u>
General funds						
General Income Fund	<u>1,157,235</u>	<u>1,372,345</u>	<u>(1,278,685)</u>	<u>(78,160)</u>	<u>36,673</u>	<u>1,209,408</u>
Total Unrestricted funds	<u>1,831,975</u>	<u>1,403,142</u>	<u>(1,410,935)</u>	<u>-</u>	<u>20,505</u>	<u>1,844,687</u>

Richard Watts and the City of Rochester Almshouse Charities

Notes to the financial statements for the year ended 31 December 2024

20. Statement of funds (continued)

Endowment funds						
Richard Watts	21,855,907	-	-	-	1,336,483	23,192,390
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>1,326,349</u>	<u>24,709,391</u>
Total of funds	<u>25,211,148</u>	<u>1,416,871</u>	<u>(1,420,795)</u>	<u>-</u>	<u>1,346,854</u>	<u>26,554,078</u>

Notes to the financial statements for the year ended 31 December 2024

21. Summary of funds

Summary of funds - current year

	As restated Balance at 1 January 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2024 £
Designated funds	635,279	84,310	(179,595)	67,879	-	607,873
General funds	1,209,408	1,450,595	(1,524,549)	(67,879)	52,329	1,119,904
Endowment funds	24,709,391	9,657	(9,860)	-	846,122	25,555,310
	26,554,078	1,544,562	(1,714,004)	-	898,451	27,283,087

Summary of funds - prior year

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	As restated 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)	-	1,326,349	24,709,391
	25,211,148	1,416,871	(1,420,795)	-	1,346,854	26,554,078

22. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Tangible fixed assets	-	3,476,123	3,476,123
Fixed asset investments	1,057,239	6,281,562	7,338,801
Investment property	-	15,028,278	15,028,278
Current assets	958,035	769,347	1,727,382
Creditors due within one year	(243,003)	-	(243,003)
Creditors due in more than one year	(44,494)	-	(44,494)
Total	1,727,777	25,555,310	27,283,087

**Notes to the financial statements
for the year ended 31 December 2024**

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period (as restated)

	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	-	14,444,628	14,444,628
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	24,709,391	26,554,078

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

	2024 £	As restated 2023 £
Net income for the period (as per Statement of Financial Activities)	729,009	1,342,930
Adjustments for:		
Gains on investment property	(583,650)	(1,152,128)
Gains on investments	(314,801)	(194,726)
Dividends, interest and rents from investments	(1,052,721)	(965,178)
Increase in debtors	(77,419)	(43,459)
Increase/(decrease) in creditors	(35,536)	42,107
Profit on disposal of investment property	-	(90,000)
Net cash used in operating activities	(1,335,118)	(1,060,454)

24. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	1,339,011	1,334,895

**Notes to the financial statements
for the year ended 31 December 2024**

25. Analysis of changes in net debt

	At 1 January 2024 £	Cash flows £	At 31 December 2024 £
Cash at bank and in hand	<u>1,334,895</u>	<u>4,116</u>	<u>1,339,011</u>

26. Operating lease commitments

At 31 December 2024 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024 £	2023 £
Not later than 1 year	732	976
Later than 1 year and not later than 5 years	-	732
	<u>732</u>	<u>1,708</u>

27. Related party transactions

During the year the Charity paid a grant of £Nil (2023 - £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 (2023 - £Nil).

During the year the Charity paid grants totalling £Nil (2023 - £9,000) to Thinking Schools Academy Trust, of which Mr M Bailey was also a trustee. There were no amounts outstanding at the balance sheet date (2023 - £Nil).

28. Post balance sheet events

Richard Watts and the City of Rochester Almshouse Charities has transferred all operations, assets, contracts, and staff to a newly created Charitable Incorporated Organisation (CIO) on 1 April 2025. The new incorporated charity registered in September 2024 is called Richard Watts Charities CIO, but will operate under the name of Richard Watts Charities.

29. Prior year adjustment

A prior year adjustment has been made to adjust for the fair value of the investment property as of 31 December 2023 based on a internal valuation. The adjustment was for a cumulative gain of £1,152,128, bringing the closing fair value of investment property as of 31 December 2023 to £14,444,628.

