

THE PAWSON COTTAGE HOMES
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Charity Registration No. 226439

THE PAWSON COTTAGE HOMES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustee	Abbeyfield The Dales Limited
Charity number	226439
Principal address	Grove House 12 Riddings Road Ilkley LS29 9BF
Registered office	Grove House 12 Riddings Road Ilkley LS29 9BF
Independent examiner	Alan Wintersgill FCA Naylor Wintersgill Limited Carlton House Grammer School Street Bradford BD1 4NS
Bankers	Barclays Bank plc 10 Market Street Bradford BD1 1EG

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THE PAWSON COTTAGE HOMES

TRUSTEE REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustee presents its report and financial statements for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The charity's object is the provision of almshouses for needy and deserving people over the age of 65 years with preference to residents of Ilkley, West Yorkshire and to spinsters and widows in particular. The policies adopted in furtherance of these objects are set out on pages 6 to 8 and there has been no change in these during the year, however the charity is also known as S Pawson Deceased and Susannah Pawson Trust.

The trustee has paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Review of the year

The flats enjoyed high occupancy during 2020 with only a short 16 day void period at one of the flats. The Trustees are committed to maintaining the properties to a high standard and works this year included heating and shower repairs together with some void relet works. Consideration is being given to the need to establish a designated fund for future refurbishment; a final decision will be made after resident consultation has taken place.

Financial review

During the year the charity generated income of £39,683 (2019 - £37,948); the increase is due to a fee increase and full occupancy compared to the prior year; all properties were full at year end and they are also currently full. Total expenditure was £28,632 (2019 - £38,648).

During the year, the application made last year by Abbeyfield The Dales to become the Corporate Trustee was granted and this took effect on 11 February 2020. The prior year's expenditure included one-off legal costs incurred during the application process to change the Corporate Trustee from Abbeyfield Ilkley Society Limited to Abbeyfield The Dales Limited and this process also included costs associated with novating the existing loan to Abbeyfield The Dales Limited.

The net incoming resources for the year are £11,051 (2019 - £700 net outgoing resources). The total reserves as at 31 December 2020 stand at £433,230 (2019 - £422,179).

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustee considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The trustee has assessed the major risks to which the charity is exposed, and is satisfied that systems are in place to mitigate exposure to the major risks.

THE PAWSON COTTAGE HOMES

TRUSTEE REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Structure, governance and management

The charity is unincorporated and is governed by the will of Susannah Pawson deceased, dated 7 February 1945, as amended by scheme dated 17 October 2011 and resolution dated 25 January 2012. The charity registration number is 226439 and the principal office is Grove House, 12 Riddings Road, Ilkley LS29 9BF. A corporate Trustee has been appointed and changes in Trustee must be approved by the Directors of this company.

The trustees who served during the year were:

Abbeyfield The Dales Limited

The directors of Abbeyfield The Dales Limited are:

M. Harman
A. Francis
F J Johnson
D. Smith
A Ashby
M. Carter
I. Hepworth
A L Hill (appointed 23 October 2020)
I Price
A Massingham
N. Whitham
D R Binns (resigned 23 October 2020)

The trustee report was approved by the Board of Trustee.



Abbeyfield The Dales Limited

Trustee

Dated: 23 April 2021

THE PAWSON COTTAGE HOMES

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEE OF THE PAWSON COTTAGE HOMES

I report on the financial statements of the charity for the year ended 31 December 2020, which are set out on pages 4 to 11.

Respective responsibilities of trustee and examiner

The charity's trustee is responsible for the preparation of the financial statements. The charity's trustee consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

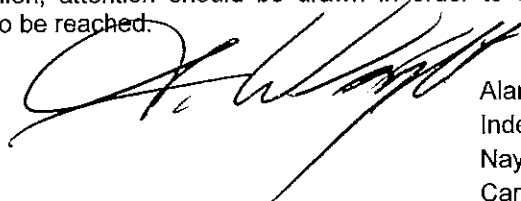
Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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 now been withdrawn.

I understand that this has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on, or after 1 January 2015.

In connection with my examination, no other matter except that referred to in the previous paragraph has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 130 of the 2011 Act; and
 - (ii) to prepare financial statements which accord with the accounting records and comply with the accounting requirements of the 2011 Act;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Alan Wintersgill FCA
Independent Examiner
Naylor Wintersgill Limited
Carlton House
Grammar School Street
Bradford
BD1 4NS

Dated: 23 April 2021

THE PAWSON COTTAGE HOMES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds 2020 £	Unrestricted funds 2019 £
	Notes		
<u>Income from:</u>			
Charitable activities	3	39,683	37,948
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Charitable activities	4	28,632	38,648
		<hr/>	<hr/>
Net Income/(expenditure) for the year/ Net movement in funds		11,051	(700)
 Fund balances at 1 January 2020		 422,179	 422,879
		<hr/>	<hr/>
Fund balances at 31 December 2020		433,230	422,179
		<hr/>	<hr/>

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

All income and expenditure derive from continuing activities.

THE PAWSON COTTAGE HOMES

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	8		581,006		587,187
Current assets					
Debtors	9	557		527	
Cash at bank and in hand		51,666		48,436	
		52,223		48,963	
Creditors: amounts falling due within one year	10	(8,536)		(16,840)	
Net current assets			43,687		32,123
Total assets less current liabilities			624,693		619,310
Creditors: amounts falling due after more than one year	11		(191,463)		(197,131)
Net assets			433,230		422,179
Income funds					
Unrestricted funds			433,230		422,179
			433,230		422,179

The financial statements were approved by the Trustee on 23 April 2021



Abbeyfield The Dales Limited
Trustee

THE PAWSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

The Pawson Cottage Homes is an unincorporated charity registered in England and Wales.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements 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 Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustee has a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustee continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustee in furtherance of their charitable objectives.

The Charity has no restricted or endowment funds.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it, after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE PAWSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

1.5 Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets, less their residual values over their useful lives on the following bases:

Freehold land and buildings	1% per annum - straight line basis
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE PAWSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

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

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

3 Charitable activities

	2020	2019
	£	£
Maintenance charges	39,683	37,948

THE PAWSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Charitable activities

	2020 £	2019 £
Depreciation and impairment	6,181	6,181
Establishment costs	3,402	3,603
Repairs and maintenance	6,241	5,493
Subscriptions and donations	179	170
Advertising and promotion	169	169
Legal and professional	4,200	4,000
Sundry expenses	5	7
	<u>20,377</u>	<u>19,623</u>
Share of governance costs (see note 5)	8,255	19,025
	<u>28,632</u>	<u>38,648</u>

5 Support costs

	Support costs £	Governance costs £	2020 Support costs £	Governance costs £	2019 £
Accountancy fees	-	1,560	1,560	-	1,760
Legal and professional	-	(1,940)	(1,940)	-	7,482
Bank charges	-	39	39	-	57
Loan interest paid	-	8,596	8,596	-	9,726
	<u>-</u>	<u>8,255</u>	<u>8,255</u>	<u>-</u>	<u>19,025</u>
Analysed between Charitable activities	-	8,255	8,255	-	19,025

All support costs are allocated to the one charitable activity.

During the year £1,560 (2019 £1,760) was paid to the independent examiner in relation to fees for the examination.

6 Trustee

During the period Maintenance Charges of £4,200 were paid to Abbeyfield The Dales, the charity's sole trustee. (2019 £4,000). Expenses totalling £2,254 in respect of property maintenance were reimbursed to Abbeyfield The Dales (2019 £2,245).

THE PAWSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Employees

There were no employees during the current or prior year.

8 Tangible fixed assets

	Freehold land and buildings £
Cost	
At 1 January 2020	618,092
At 31 December 2020	618,092
Depreciation and Impairment	
At 1 January 2020	30,905
Depreciation charged in the year	6,181
At 31 December 2020	37,086
Carrying amount	
At 31 December 2020	581,006
At 31 December 2019	587,187

9 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	11	23
Prepayments and accrued income	546	504
	<u>557</u>	<u>527</u>

10 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans	12	5,711	5,129
Trade creditors		-	2,299
Other creditors		1,265	676
Accruals		1,560	8,736
		<u>8,536</u>	<u>16,840</u>

THE PAWSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans	12	191,463	197,131

12 Loans and overdrafts

	2020 £	2019 £
Bank loans	197,174	202,260
Payable within one year	5,711	5,129
Payable after one year	191,463	197,131

Amounts included above which fall due after five years:

Payable by instalments	167,350	173,807
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The long-term loans are secured by fixed charges over the freehold property.

13 Related party transactions

During the year the Charity paid £4,200 (2019 £4,000) in management charges and £2,254 (2019 £2,245) in respect of reimbursement of expenses for maintenance costs to Abbeyfield The Dales Limited, the charity's sole trustee. At the year end the charity owed £1,265 (2019 - £676) to Abbeyfield The Dales Limited.