

Charity Commission

THE PAWSON COTTAGE HOMES
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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
Grammar School Street
Bradford
BD1 4NS

Bankers Barclays Bank plc
10 Market Street
Bradford
BD1 1EG

THE PAWSON COTTAGE HOMES

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THE PAWSON COTTAGE HOMES

TRUSTEE REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustee presents its report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements 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)" (effective 1 January 2019).

Objectives and activities

The charity's object is the provision of alms houses 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

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". The charity does not actively raise funds from the public either directly or via use of an agent, accordingly no such amounts are presented in the financial statements for the year under review. The charity has received no complaints in relation to fundraising activity for the year under review.

Given the nature of the funding of the charity the Trustees consider that it remains appropriate not to be voluntarily bound to be regulated by the Fundraising Regulator.

Review of the year

Throughout 2021, the flats continued to maintain high occupancy, with only one relatively short void period. The Trustees ensure that the flats are maintained to a high standard and works during the year related to void relet repairs (new carpets and decorating), elsewhere a shower room repair and a new boiler were installed.

Financial review

During the year the charity generated income of £39,862 (2020 - £39,683); 2021 resident maintenance charges were held at 2020 levels; all properties were full at the year end and they are also currently full. Total expenditure was £29,502 (2020 - £28,632).

During the year, the Trustees took the decision to use some of the charity's reserves to partially repay £48,000 of the loan held with Charity Bank. This course of action was felt to be the most optimal use of reserves, given that it was risk free and the historically low level of deposit account interest rates applicable at the time. This action also reduces the financial obligation to make future loan interest payments, which in hindsight has proved to be a wise decision now that interest rates have started to increase.

The net incoming resources for the year are £10,360 (2020 - £11,051). The total reserves as at 31 December 2021 stand at £443,590 (2020 - £433,230).

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 that is not less than 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 PAWSON COTTAGE HOMES

TRUSTEE REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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.

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 a scheme dated 17 October 2011 and a 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.

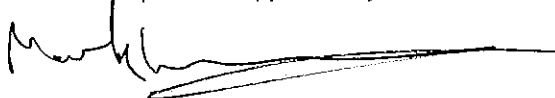
The trustees who served during the year were:

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
I. Price
A. Massingham (Resigned 12 October 2021)
N. Whitham

The trustee report was approved by the Board of Trustee.



Abbeyfield The Dales Limited

Trustee

Dated: 22 April 2022

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 2021, 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 trustee 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: 22 April 2022

THE PAWSON COTTAGE HOMES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds 2021 £	Unrestricted funds 2020 £
	Notes		
<u>Income from:</u>			
Charitable activities	3	39,862	39,683
<u>Expenditure on:</u>			
Charitable activities	4	29,502	28,632
Net income for the year/ Net movement in funds		10,360	11,051
Fund balances at 1 January 2021		433,230	422,179
Fund balances at 31 December 2021		<u>443,590</u>	<u>433,230</u>

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

All income and expenditure derive from continuing activities.

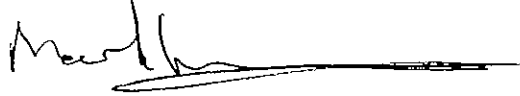
THE PAWSON COTTAGE HOMES

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	8		576,676		581,006
Current assets					
Debtors	9	543		557	
Cash at bank and in hand		14,403		51,666	
		<u>14,946</u>		<u>52,223</u>	
Creditors: amounts falling due within one year	10	<u>(8,325)</u>		<u>(8,536)</u>	
Net current assets			6,621		43,687
Total assets less current liabilities			583,297		624,693
Creditors: amounts falling due after more than one year	11		(139,707)		(191,463)
Net assets			<u>443,590</u>		<u>433,230</u>
Income funds					
Unrestricted funds			443,590		433,230
			<u>443,590</u>		<u>433,230</u>

The financial statements were approved by the Trustee on 22 April 2022



Abbeyfield The Dales Limited
Trustee

THE PAWSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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.

These financial statements for the year ended 31 December 2021 are the first financial statements of The Pawson Cottage Homes prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2020. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

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 2021

1 Accounting policies

(Continued)

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 is 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

	2021 £	2020 £
Maintenance charges	39,250	39,683
Other income	612	-
	<u>39,862</u>	<u>39,683</u>

THE PAWSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

4 Charitable activities

	2021 £	2020 £
Depreciation and impairment	6,200	6,181
Establishment costs	3,980	3,402
Repairs and maintenance	5,305	6,241
Subscriptions and donations	182	179
Advertising and promotion	-	169
Legal and professional	4,263	4,200
Sundry expenses	-	5
	<u>19,930</u>	<u>20,377</u>
Share of governance costs (see note 5)	9,572	8,255
	<u>29,502</u>	<u>28,632</u>

5 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Accountancy fees	-	1,560	1,560	-	1,560	1,560
Legal and professional	-	-	-	-	(1,940)	(1,940)
Bank charges	-	54	54	-	39	39
Loan interest paid	-	7,958	7,958	-	8,596	8,596
	<u>-</u>	<u>9,572</u>	<u>9,572</u>	<u>-</u>	<u>8,255</u>	<u>8,255</u>
Analysed between Charitable activities	-	9,572	9,572	-	8,255	8,255

All support costs are allocated to the one charitable activity.

During the year £1,560 (2020 £1,560) was paid to the independent examiner in relation to fees for the examination.

6 Trustee

During the period Maintenance Charges of £4,263 were paid to Abbeyfield The Dales, the charity's sole trustee. (2020 £4,200). Expenses totalling £1,899 in respect of property maintenance were reimbursed to Abbeyfield The Dales (2020 £2,254).

THE PAWSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

7 Employees

There were no employees during the current or prior year.

8 Tangible fixed assets

	Freehold land and buildings £
Cost	
At 1 January 2021	618,092
Additions	1,870
	<hr/>
At 31 December 2021	619,962
	<hr/>
Depreciation and impairment	
At 1 January 2021	37,086
Depreciation charged in the year	6,200
	<hr/>
At 31 December 2021	43,286
	<hr/>
Carrying amount	
At 31 December 2021	576,676
	<hr/>
At 31 December 2020	581,006
	<hr/>

9 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	-	11
Prepayments and accrued income	543	546
	<hr/>	<hr/>
	543	557
	<hr/>	<hr/>

10 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	12	3,962	5,711
Trade creditors		369	-
Other creditors		2,434	1,265
Accruals		1,560	1,560
		<hr/>	<hr/>
		8,325	8,536
		<hr/>	<hr/>

THE PAWSON COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

11 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	12	139,707	191,463

An additional bank loan repayment of £48,000 was made on 29 December 21.

12 Loans and overdrafts

	2021 £	2020 £
Bank loans	143,669	197,174
Payable within one year	3,962	5,711
Payable after one year	139,707	191,463

Amounts included above which fall due after five years:

Payable by instalments	121,873	167,350
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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 £4,263 (2020 £4,200) in management charges and £1,899 (2020 £2,254) 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 £2,434 (2020 - £1,265) to Abbeyfield The Dales Limited.