



Smailes Goldie Group
CREATING ADVANTAGE

REGISTERED CHARITY NUMBER: 226675

Trustees Ann Watsons Trust

Financial Statements

31 December 2022



SD-0211099-1-6

Ann Watson's Trust

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Ann Watson's Trust

Reference and Administrative Details for the year ended 31st December 2022

TRUSTEES	A A Dunn (resigned 4.2.2022) P Overvoorde (Co-opted Trustee) Miss P O'Brien (Co-opted Trustee) Archdeacon A C Broom (Nominated Trustee) Rev G Naylor (Ex-officio Trustee) J M V Redman (Chairman) S Pulko (Ex-officio Trustee) N J Penton (Co-opted Trustee) Rev D Black (Ex-officio Trustee)
PRINCIPAL ADDRESS	Flat 4 The College College Street Sutton Hull East Yorkshire HU7 4UP
REGISTERED CHARITY NUMBER	226675
AUDITORS	Smailes Goldie Chartered Accountants Statutory Auditor Regent's Court Princess Street Hull East Yorkshire HU2 8BA
BANKERS	Barclays Bank PLC Hull Corporate Banking Centre Hull East Yorkshire HU1 1RN
SOLICITORS	Gosschalks Queens Gardens Hull HU1 3DZ Loxley Langford Mill Wotton-under-Edge GL12 8RL

Ann Watson's Trust

Reference and Administrative Details

for the year ended 31st December 2022

ADVISERS

Land and Property Agents:

Dee Atkinson & Harrison
The Exchange
Driffield
East Yorkshire
YO25 7LJ

Haller Evans
66-68 Humber Street
Hull
HU1 1TU

Stockbrokers:

Rathbones Investment Management
8 Finsbury Circus
London
EC2M 7AZ

Ann Watson's Trust

Report of the Trustees

for the year ended 31st December 2022

The trustees present their report with the financial statements of the charity for the year ended 31st December 2022. The trustees have adopted the provisions of 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

Objectives and aims

The objects of the Charity are to provide accommodation and relief in need for poor women who are members of the Church of England, preference being given to such persons who are widows or unmarried daughters of clergymen of the Church of England and for the advancement of education in promoting the education of persons under the age of 25 who are residents of the East Riding of Yorkshire or who attend a school in that area and for providing any special benefits for schools in that area which will not have effect of relieving statutory expenditure.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The charity has continued throughout the year to apply its income to support and promote its objectives in providing education and grants to individuals, schools and similar organisations. The charity has continued to improve its residential care facility in Sutton having incurred further expenditure on refurbishment of living accommodation.

FINANCIAL REVIEW

Financial position

The charity has net incoming resources of £6,136,481 (2021 net incoming resources £1,128,725) including realised losses on investments of £676,861 (2021 gains £13,192), and unrealised losses on investments of £26,493 (2021 gains £983,893) and investment property revaluation gains of £6,707,425 (2021: £Nil).

The trustees have considered The Charity Commission's guidance on public benefit and are of the opinion that this is fulfilled by the charity's continued educational and care facilities.

Investment policy and objectives

The portfolio of investments is managed by Rathbones Investment Management who report to the trustees on a quarterly basis.

The farm investment properties are managed by Land Agents Dee Atkinson & Harrison who report to the trustees on a periodic and quarterly basis. The trustees inspect these properties on an annual basis.

The residential investment properties are split into two separate portfolios, these being the Holderness based properties and the urban properties. The Holderness based properties are managed by Dee Atkinson & Harrison and the urban properties are managed by Haller Evans. The trustees receive period reports from the Land agents for the residential properties.

Ann Watson's Trust

Report of the Trustees

for the year ended 31st December 2022

FINANCIAL REVIEW

Reserves policy

The charity has free reserves defined as unrestricted funds of £2,634,644, designated funds of £698,077 and endowed funds of £26,386,031 at 31st December 2022.

The designated fund is the Extraordinary Repair Fund, the purpose of which is to ensure funds are separately available for improvement, maintenance and refurbishment of the properties owned by the charity.

Endowment funds comprise assets in a permanent endowment fund with no power to convert the capital into income. Gains/(losses) on asset held in the endowment fund, both realised and unrealised, increase/(decrease) the endowment fund.

It is the charity's policy to retain sufficient funds to continue the long-term objectives as set out in this report. This requires sufficient reserves to be retained, in the form of investments, to produce a guaranteed income to maintain its assets and continue with its charitable activities for the foreseeable future.

The trustees consider the funds are adequate for the purposes of the charity for the foreseeable future.

FUTURE PLANS

The charity's investment portfolio has increased in value and its income from the portfolio also increased in line with markets worldwide recovering post pandemic. The charity has built up significant unrestricted reserves to be able to maintain its funding to the charities and deserving causes it supports, particularly at a time when that support is most needed. The charity intends to increase its grant giving volume to ensure funds are being used for the objective of the charity.

The charity also plans to invest further in property and so is building cash reserves to enable this.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Ann Watson's Trust was created by the Will of Mrs. Ann Watson dated 27th October 1720 and is subject to the regulation under a scheme approved on 31st August 1979 and as altered on 10th January 1984, 1st May 2001 and 20th February 2004 by the Charity Commissioners.

Recruitment and appointment of new trustees

The Nominated Trustees are appointed as representatives of the Archbishop of York and the Bishop of Hull.

The Ex-officio Trustees are appointed in their capacity as vicars of Hedon, Hull Minster and of Sutton and Wawne.

The Co-opted Trustees are appointed by personal introduction of existing trustees based on their skills and potential contribution towards the objectives of the charity.

Associate Trustees are appointed at a meeting of the Board of Trustees after consideration of the specific skills required to effectively deliver the objectives of the Trust.

The Chair of the Trustees is responsible for the induction of any new trustee which includes awareness of a trustee's responsibility, the governing document and the history and philosophy of the Trust. A new Trustee receives copies of the relevant documentation, along with the previous year's accounts, annual report and the governing document.

Ann Watson's Trust

Report of the Trustees

for the year ended 31st December 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The trustees meet on a quarterly basis to discuss future strategy and review the activities of the charity, consider matters arising and authorise grants and other expenditure. The Chairman of the Trustees is responsible for the day-to-day operation of the charity.

The residential facilities provided at The College are inspected by a rota of trustees on a regular basis. A salaried clerk/secretary assists the Chairman of the Trustees carrying out these duties, particularly those associated with The College premises.

Risk management

The trustees have reviewed the major risks to which the charity is exposed and appropriate systems have been established to mitigate those risks. Operational risks are minimised by the employment of suitable professional advisers. The charity also has insurance policies in place which further mitigates risk to the charity. A strategic risk management review and a full review of all the Trust's property insurances was undertaken in the year.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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.

Approved by order of the board of trustees on 16th October 2023 and signed on its behalf by:

John M V Redman

J M V Redman - Trustee

Report of the Independent Auditors to the Trustees of Ann Watson's Trust

Opinion

We have audited the financial statements of Ann Watson's Trust (the 'charity') for the year ended 31st December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Report of the Independent Auditors to the Trustees of Ann Watson's Trust

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Trustees of Ann Watson's Trust

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, tax legislation, data protection, anti-bribery, employment, environmental and health and safety legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators and the company's legal advisors.

Due to 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. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Report of the Independent Auditors to the Trustees of Ann Watson's Trust

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

16th October 2023

Ann Watson's Trust

Statement of Financial Activities for the year ended 31st December 2022

	Notes	Unrestricted fund £	Designated Fund £	Endowment Fund £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM						
Investment income	2	<u>579,018</u>	<u>27,653</u>	<u>-</u>	<u>606,671</u>	<u>485,920</u>
EXPENDITURE ON						
Raising funds	3	<u>149,608</u>	<u>45,898</u>	<u>-</u>	<u>195,506</u>	<u>125,475</u>
Charitable activities	4					
Provision of accommodation		<u>44,923</u>	<u>-</u>	<u>-</u>	<u>44,923</u>	<u>57,167</u>
Advancement of education		<u>162,869</u>	<u>-</u>	<u>-</u>	<u>162,869</u>	<u>127,795</u>
Management and administration of the Charity		<u>70,963</u>	<u>-</u>	<u>-</u>	<u>70,963</u>	<u>43,843</u>
Total		<u>428,363</u>	<u>45,898</u>	<u>-</u>	<u>474,261</u>	<u>354,280</u>
Net gains/(losses) on investments		<u>(32,035)</u>	<u>(21,744)</u>	<u>6,057,850</u>	<u>6,004,071</u>	<u>997,085</u>
NET INCOME/(EXPENDITURE)		118,620	(39,989)	6,057,850	6,136,481	1,128,725
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>2,516,024</u>	<u>738,066</u>	<u>20,328,181</u>	<u>23,582,271</u>	<u>22,453,546</u>
TOTAL FUNDS CARRIED FORWARD		<u>2,634,644</u>	<u>698,077</u>	<u>26,386,031</u>	<u>29,718,752</u>	<u>23,582,271</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

Ann Watson's Trust

Balance Sheet

31st December 2022

	Notes	Unrestricted fund £	Designated Fund £	Endowment Fund £	2022 Total funds £	2021 Total funds £
FIXED ASSETS						
Tangible assets	12	16,273	-	-	16,273	25,395
Investments						
Investments	13	1,691,142	698,077	6,246,909	8,636,128	8,938,485
Investment property	14	-	-	20,084,500	20,084,500	13,377,075
		1,707,415	698,077	26,331,409	28,736,901	22,340,955
CURRENT ASSETS						
Debtors	15	50,220	-	-	50,220	16,278
Cash at bank and in hand		927,785	-	54,622	982,407	1,287,229
		978,005	-	54,622	1,032,627	1,303,507
CREDITORS						
Amounts falling due within one year	16	(50,776)	-	-	(50,776)	(62,191)
NET CURRENT ASSETS		927,229	-	54,622	981,851	1,241,316
TOTAL ASSETS LESS CURRENT LIABILITIES		2,634,644	698,077	26,386,031	29,718,752	23,582,271
NET ASSETS		2,634,644	698,077	26,386,031	29,718,752	23,582,271
FUNDS	17					
Unrestricted funds					3,332,721	3,254,090
Endowment funds					26,386,031	20,328,181
TOTAL FUNDS					29,718,752	23,582,271

The financial statements were approved by the Board of Trustees and authorised for issue on 16th October 2023 and were signed on its behalf by:

John M V Redman

J M V Redman - Trustee

Ann Watson's Trust

Cash Flow Statement

for the year ended 31st December 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(176,107)</u>	<u>(75,537)</u>
Net cash used in operating activities		<u>(176,107)</u>	<u>(75,537)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(25,472)
Purchase of fixed asset investments		(3,483,057)	(190,018)
Sale of fixed asset investments		3,082,060	459,224
Interest received		5,181	3,317
Dividends received		<u>267,101</u>	<u>243,116</u>
Net cash (used in)/provided by investing activities		<u>(128,715)</u>	<u>490,167</u>
Change in cash and cash equivalents in the reporting period		(304,822)	414,630
Cash and cash equivalents at the beginning of the reporting period		<u>1,287,229</u>	<u>872,599</u>
Cash and cash equivalents at the end of the reporting period		<u><u>982,407</u></u>	<u><u>1,287,229</u></u>

The notes form part of these financial statements

Ann Watson's Trust

Notes to the Cash Flow Statement for the year ended 31st December 2022

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income for the reporting period (as per the Statement of Financial Activities)	6,136,481	1,128,725
Adjustments for:		
Depreciation charges	9,122	1,339
Gain on investments	(6,004,071)	(997,085)
Interest received	(5,181)	(3,317)
Dividends received	(267,101)	(243,116)
(Increase)/decrease in debtors	(33,942)	25,174
(Decrease)/increase in creditors	(11,415)	12,743
Net cash used in operations	<u>(176,107)</u>	<u>(75,537)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.22 £	Cash flow £	At 31.12.22 £
Net cash			
Cash at bank and in hand	<u>1,287,229</u>	<u>(304,822)</u>	<u>982,407</u>
	<u>1,287,229</u>	<u>(304,822)</u>	<u>982,407</u>
Total	<u>1,287,229</u>	<u>(304,822)</u>	<u>982,407</u>

Ann Watson's Trust

Notes to the Financial Statements

for the year ended 31st December 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Charitable activities

Grants of an expenditure nature which are made to satisfy the objectives of the charity for the advancement of education of persons under the age of 25 who are residents of the East Riding of Yorkshire or who attend a school in that area and for providing any special benefit for schools in that area are charged to the statement of financial activities in the period in which they become payable.

Allocation and apportionment of costs

Where costs cannot be directly attributed to a particular heading they have been allocated to activities on a basis consistent with the use of the resource.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- Straight line over 10 years
Computer equipment	- 33% on cost

Investment property

Freehold farm properties and other freehold investment properties are included at market valuation. No depreciation is considered necessary on these properties.

No valuation has been included for the freehold property at Sutton College, College Street, Sutton which is used for charitable purposes.

Taxation

Ann Watson's Trust is a U.K. registered charity, number 226675. All the Charity's income is applied to its charitable objectives and the Charity is, therefore, exempt under current legislation from most forms of taxation.

Ann Watson's Trust

Notes to the Financial Statements - continued for the year ended 31st December 2022

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. The charity's general funds consist of funds which the charity may use for its purposes at its discretion.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The Extraordinary Repair Fund is designated for the specific purpose of property improvements. The fund's assets are invested in M&G accumulation shares. Until 31st December 1993 an annual contribution of £4,000 was transferred from income account and is invested in the above mentioned shares. Due to the value accumulated in the fund the trustees have deemed that since that date no further transfers were necessary.

Endowment funds comprise assets in a permanent endowment fund with no power to convert the capital into income. Gains/(losses) on asset held in the endowment fund, both realised and unrealised, increase/(decrease) the endowment fund.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity contributes into the private pension scheme of its employee. Contributions payable to the pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Listed investments

Listed investments are included in the accounts at market value. The variations between the valuation of investments at the balance sheet date and their purchase price if acquired during the year and the market value at the previous balance sheet date for investments held throughout the year are shown as unrealised gains or losses in the statement of financial activities.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

2. INVESTMENT INCOME

	2022	2021
	£	£
Residential property rents received	71,205	50,205
Farm property rents received	263,184	189,282
Dividends received	267,101	243,116
Deposit account interest	5,181	3,317
	<u>606,671</u>	<u>485,920</u>

Ann Watson's Trust

Notes to the Financial Statements - continued for the year ended 31st December 2022

3. RAISING FUNDS

Investment management costs

	2022 £	2021 £
Investment portfolio management	38,062	28,594
Property management and rent collection	24,833	16,421
Property repairs	20,084	24,582
Property insurance	12,999	7,404
Legal and professional fees	99,528	48,474
	<u>195,506</u>	<u>125,475</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 5) £	Grant funding of activities (see note 6) £	Support costs (see note 7) £	Totals £
Provision of accommodation	44,923	-	-	44,923
Advancement of education	-	162,869	-	162,869
Management and administration of the Charity	-	-	70,963	70,963
	<u>44,923</u>	<u>162,869</u>	<u>70,963</u>	<u>278,755</u>

5. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022 £	2021 £
Rates and water	6,741	4,532
Insurance	5,553	3,395
Light and heat	11,838	9,437
Telephone	1,248	1,166
Lifeline	1,589	1,737
Maintenance and repairs	11,767	32,014
Garden maintenance	4,100	4,886
Legal and professional fees	2,087	-
	<u>44,923</u>	<u>57,167</u>

Ann Watson's Trust

Notes to the Financial Statements - continued for the year ended 31st December 2022

6. GRANTS PAYABLE

	2022 £	2021 £
Advancement of education	<u>162,869</u>	<u>127,795</u>

The total grants paid to institutions during the year was as follows:

	2022 £	2021 £
Holy Trinity Education Officer	-	1,000
Holy Trinity Children and Families Worker	-	3,000
Holy Trinity Music Support	-	18,000
Holy Trinity Youth Worker	-	8,000
St. Augustine Church, Hedon	3,500	-
Dyslexia Institute	12,390	21,255
St James C.E. Primary School	1,500	2,290
Other Institutions	4,615	1,400
St Columba Church	708	2,500
HETA	39,375	39,375
Rotary club of Humberside	-	1,750
Hull Women's Aid	-	1,000
Market Weighton Youth Action Group	-	1,000
Sutton and Wawne Museum	-	2,680
Read for Good	2,000	2,000
St Aidans PCC	2,200	-
Humber Teaching NHS Foundation Trust	200	-
University of Hull Employability Grant	20,000	-
Hull Schools Choral Project	51,680	-
	<u>138,168</u>	<u>105,250</u>

The total grants paid to individuals during the year was as follows:

	2022 £	2021 £
Education Grants	15,201	22,545
Clergy Widows - Relief in Need	9,500	-
	<u>24,701</u>	<u>22,545</u>

Ann Watson's Trust

Notes to the Financial Statements - continued for the year ended 31st December 2022

7. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Management and administration of the Charity	<u>15,514</u>	<u>1,572</u>	<u>53,877</u>	<u>70,963</u>

Support costs, included in the above, are as follows:

	2022 Management and administration of the Charity £	2021 Total activities £
Legal and professional fees	15,514	-
Bank charges	1,572	1,082
Wages	10,940	9,840
Pensions	1,983	1,830
Auditors' remuneration	6,415	6,610
Auditors' remuneration for non audit work	8,139	7,015
Postage and stationery	2,991	3,442
Sundries	13,013	11,783
Indemnity Insurance	1,274	902
Depreciation of tangible fixed assets	<u>9,122</u>	<u>1,339</u>
	<u>70,963</u>	<u>43,843</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2022 nor for the year ended 31st December 2021.

Trustees' expenses

There were trustees' expenses paid for the year ended 31st December 2022 of £210 to one trustee for reimbursement of thank you gifts given to those who have helped the trust (2021: £16 paid to one trustee).

9. STAFF COSTS

	2022 £	2021 £
Wages and salaries	10,940	9,840
Other pension costs	<u>1,983</u>	<u>1,830</u>
	<u>12,923</u>	<u>11,670</u>

The average monthly number of employees during the year was as follows:

	2022	2021
Administration and support	<u>1</u>	<u>1</u>

Ann Watson's Trust

Notes to the Financial Statements - continued for the year ended 31st December 2022

9. STAFF COSTS - continued

No employees received emoluments in excess of £60,000.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Designated Fund £	Endowment Fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Investment income	<u>464,282</u>	<u>21,638</u>	<u>-</u>	<u>485,920</u>
EXPENDITURE ON				
Raising funds	125,475	-	-	125,475
Charitable activities				
Provision of accommodation	57,167	-	-	57,167
Advancement of education	127,795	-	-	127,795
Management and administration of the Charity	<u>43,843</u>	<u>-</u>	<u>-</u>	<u>43,843</u>
Total	<u>354,280</u>	<u>-</u>	<u>-</u>	<u>354,280</u>
Net gains on investments	<u>181,097</u>	<u>64,941</u>	<u>751,047</u>	<u>997,085</u>
NET INCOME	291,099	86,579	751,047	1,128,725
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>2,224,925</u>	<u>651,487</u>	<u>19,577,134</u>	<u>22,453,546</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>2,516,024</u></u>	<u><u>738,066</u></u>	<u><u>20,328,181</u></u>	<u><u>23,582,271</u></u>

11. PRIOR YEAR ADJUSTMENT

Having obtained professional advice from our investment, legal and financial advisors, the Trustees of the Ann Watson Trust now understand that some of the investment properties and the managed investment portfolio are permanent endowments.

An adjustment has therefore been made to the prior year financial statements to reflect that these assets, originally reported and disclosed as assets of the unrestricted funds, are permanent endowments. This change has had no impact on the income and expenditure reported in the prior year financial statements.

Ann Watson's Trust

Notes to the Financial Statements - continued for the year ended 31st December 2022

12. TANGIBLE FIXED ASSETS

	Plant and machinery £	Computer equipment £	Totals £
COST			
At 1st January 2022 and 31st December 2022	<u>25,472</u>	<u>1,895</u>	<u>27,367</u>
DEPRECIATION			
At 1st January 2022	708	1,264	1,972
Charge for year	<u>8,491</u>	<u>631</u>	<u>9,122</u>
At 31st December 2022	<u>9,199</u>	<u>1,895</u>	<u>11,094</u>
NET BOOK VALUE			
At 31st December 2022	<u>16,273</u>	<u>-</u>	<u>16,273</u>
At 31st December 2021	<u>24,764</u>	<u>631</u>	<u>25,395</u>

Freehold land and buildings, being The College, 14 College Street, Hull, owned by the Charity and used for charitable purposes have not been professionally valued and are included in the accounts at £nil value.

13. FIXED ASSET INVESTMENTS

	Listed investments £	
MARKET VALUE		
At 1st January 2022		8,938,485
Additions		3,483,057
Disposals		(3,758,921)
Increase/(decrease) in market value		<u>(26,493)</u>
At 31st December 2022		<u>8,636,128</u>
NET BOOK VALUE		
At 31st December 2022		<u>8,636,128</u>
At 31st December 2021		<u>8,938,485</u>
	2022	2021
	£	£
Analysis of investments:		
UK Government Stocks	187,416	207,174
UK Equities and Unit Trusts	8,331,594	8,493,684
International Bonds	<u>117,118</u>	<u>237,627</u>
	<u>8,636,128</u>	<u>8,938,485</u>
	2022	2021
	£	£
Investments exceeding 5% of market value of portfolio:		
M&G Charity Multi Asset 21,711 accumulation shares	2,291,181	2,273,218

Ann Watson's Trust

Notes to the Financial Statements - continued for the year ended 31st December 2022

14. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1st January 2022	13,377,075
Revaluation	<u>6,707,425</u>
At 31st December 2022	<u>20,084,500</u>
NET BOOK VALUE	
At 31st December 2022	<u>20,084,500</u>
At 31st December 2021	<u>13,377,075</u>

Fair value at 31st December 2022 is represented by:

	£
Valuation in 2022	19,125,605
Cost	<u>958,895</u>
	<u>20,084,500</u>

Farm properties were valued on an open market value basis subject to existing tenancies as at 31st December 2022 by Dee Atkinson and Harrison, Chartered Surveyors.

Other freehold properties were valued on an open market value basis at 31st December 2022 by Haller Evans Chartered Surveyors.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Rental debtors	10,605	10,402
VAT	3,599	-
Prepayments and accrued income	<u>36,016</u>	<u>5,876</u>
	<u>50,220</u>	<u>16,278</u>

Ann Watson's Trust

Notes to the Financial Statements - continued for the year ended 31st December 2022

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	9,414	38,427
VAT	-	5,145
Accrued expenses	<u>41,362</u>	<u>18,619</u>
	<u>50,776</u>	<u>62,191</u>

17. MOVEMENT IN FUNDS

	At 1.1.22 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
Unrestricted Fund	2,516,024	118,620	2,634,644
Designated Fund	<u>738,066</u>	<u>(39,989)</u>	<u>698,077</u>
	3,254,090	78,631	3,332,721
Endowment funds			
Endowment Fund	<u>20,328,181</u>	<u>6,057,850</u>	<u>26,386,031</u>
TOTAL FUNDS	<u>23,582,271</u>	<u>6,136,481</u>	<u>29,718,752</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted Fund	579,018	(428,363)	(32,035)	118,620
Designated Fund	<u>27,653</u>	<u>(45,898)</u>	<u>(21,744)</u>	<u>(39,989)</u>
	606,671	(474,261)	(53,779)	78,631
Endowment funds				
Endowment Fund	-	-	6,057,850	6,057,850
TOTAL FUNDS	<u>606,671</u>	<u>(474,261)</u>	<u>6,004,071</u>	<u>6,136,481</u>

Ann Watson's Trust

Notes to the Financial Statements - continued for the year ended 31st December 2022

17. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.21 £	Net movement in funds £	At 31.12.21 £
Unrestricted funds			
Unrestricted Fund	2,224,925	291,099	2,516,024
Designated Fund	<u>651,487</u>	<u>86,579</u>	<u>738,066</u>
	2,876,412	377,678	3,254,090
Endowment funds			
Endowment Fund	<u>19,577,134</u>	<u>751,047</u>	<u>20,328,181</u>
TOTAL FUNDS	<u><u>22,453,546</u></u>	<u><u>1,128,725</u></u>	<u><u>23,582,271</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted Fund	464,282	(354,280)	181,097	291,099
Designated Fund	<u>21,638</u>	<u>-</u>	<u>64,941</u>	<u>86,579</u>
	485,920	(354,280)	246,038	377,678
Endowment funds				
Endowment Fund	<u>-</u>	<u>-</u>	<u>751,047</u>	<u>751,047</u>
TOTAL FUNDS	<u><u>485,920</u></u>	<u><u>(354,280)</u></u>	<u><u>997,085</u></u>	<u><u>1,128,725</u></u>

Unrestricted Fund

The charity's general funds consist of funds which the charity may use for its charitable purposes at its discretion.

Designated Fund

The designated extraordinary repair fund is designated for the specific purpose of property improvements. The fund's assets are invested in M&G Charity Multi Asset accumulation shares. Until 31st December 1993 an annual contribution of £4,000 was transferred from income account and is invested in the above mentioned shares. Due to the value accumulated in the fund the trustees have deemed that since that date no further transfers were necessary.

Endowment Fund

Having obtained professional advice from our investment, legal and financial advisors, the Trustees of the Ann Watson Trust now understand that the majority of the assets held by the charity including the investment properties and the investment portfolio were permanent endowments.

Endowment funds comprise assets in a permanent endowment fund with no power to convert the capital into income. Gains/(losses) on asset held in the endowment fund, both realised and unrealised, increase/(decrease) the endowment fund.

Ann Watson's Trust

Notes to the Financial Statements - continued **for the year ended 31st December 2022**

17. MOVEMENT IN FUNDS - continued

Based on the advice given the Trustees are considering a proposal to adopt a total return approach to the management of the Trust's investment portfolio. Under this proposal the Trustees wish to preserve the value of the investments held on 31st December 1979 as a permanent endowment and to increase this value of this by the rate of RPI/CPI in the intervening period. Surplus funds will be regarded as unapplied total return for allocation to the income fund to be used as required to fund any expenditure towards the aims of the Ann Watson's Trust. A decision and formal resolution regarding this has not yet been made at the date of approval of these financial statements.

18. RELATED PARTY DISCLOSURES

A related party transaction occurred between the charity and the daughter, Olivia Overvoorde, of a trustee, Peter Overvoorde, for services in relation to website design. The cost incurred by the charity in the financial year was £55 (2021: £1,092) which was settled in full in the year. Three quotes were obtained for the provision of these services and a decision was made based on value for money and the applicant's knowledge of the charity.

A grant to St Augustines Church of £3,500 was granted during the year to help develop young people and enhance education, which is a related party to Rev S Pulko.

A grant to St Aidans Church of £2,200 was provided during the year, a related party to Archdeacon Broom, with a total of £11,600 being released over a 3 year period.