

Ann Watson's Trust

Financial Statements

31 December 2023



SD-0214586-1-6

Ann Watson's Trust

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Ann Watson's Trust

Reference and Administrative Details

Chairman	J M V Redman (Nominated Trustee)
Trustees	P Overvoorde (Co-opted Trustee) P O'Brien (Co-opted Trustee) Archdeacon A C Broom (Nominated Trustee) Rev G Naylor (Ex-officio Trustee) S Pulko (Ex-officio Trustee) N J Penton (Co-opted Trustee) Rev D Black (Ex-officio Trustee)
Principal Office	Flat 4 The College College Street Sutton Hull HU7 4UP
Charity Registration Number	226675
Independent Examiner	Smailes Goldie Chartered Accountants Regent's Court Princess Street Hull East Yorkshire HU2 9BA

Ann Watson's Trust

Reference and Administrative Details (continued)

Bankers	Barclays Bank PLC Hull Corporate Banking Centre Hull HU1 1RN Handelsbanken 18 Marina Court Castle Street Hull HU1 1TJ
Solicitors	Gosschalks Queens Gardens Hull HU1 3DZ Loxley Langford Mill Wotton-under-Edge GL12 8RL
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

Trustees' Report

The trustees present the annual report together with the financial statements and auditors' report of the charity for the year ended 31 December 2023.

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

Objects 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.

Public benefit

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.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

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

The charity has net incoming resources of £688,709 (2022: £6,136,481) including realised gains on investments of £42,268 (2022: losses £676,861), and unrealised gains on investments of £388,129 (2022: losses £26,493) and investment property revaluation gains of nil (2022: £6,707,425).

The charity has free reserves defined as unrestricted funds of £2,943,156, designated funds of £741,416 and endowed funds of £26,722,889 at 31st December 2023.

Ann Watson's Trust

Trustees' Report (continued)

Policy on reserves

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 assets held in the endowment fund, both realised and unrealised, increase/(decrease) the endowment fund. Charity Commission approval has been granted during the year regarding the future status of a number of the rural properties.

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.

On 1st January 2023 following Charity Commission approval, the trustees have adopted a total return approach to the management of the Trust's investment portfolio. Under this approach the value of the investments held on 31st December 1979 are preserved as a permanent endowment and the value of this increased by the rate of RPI/CPI in the intervening period. The adjusted value as at 1 January 2023 has been calculated as £2,144,023. Surplus funds above this amount are classed as unapplied total return for allocation to the income fund to be used as required to fund any expenditure towards the aims of Ann Watson's Trust.

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 rural 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.

Structure, governance and management

Nature of 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, 20th February 2004 and 1st January 2023 by the Charity Commissioners.

Ann Watson's Trust

Trustees' Report (continued)

Recruitment and appointment of 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.

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.

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, with the support of the Trustees and a salaried clerk/secretary.

The residential facilities provided at The College are inspected by a rota of trustees on a regular basis.

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 is undertaken on a cyclical basis.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 23/7/2024 and signed on its behalf by:


J M V Redman (Nominated Trustee)
Chairman

Ann Watson's Trust

Statement of Trustees' Responsibilities

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

The law applicable to charities 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 of the charity 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 in the Charities 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; and
- 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 that 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 Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustees 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on 23/12/2024 and signed on its behalf by:


J M V Redman (Nominated Trustee)
Chairman

Ann Watson's Trust

Independent Auditor's Report to the Members of Ann Watson's Trust

Opinion

We have audited the financial statements of Ann Watson's Trust (the 'charity') for the year ended 31 December 2023, which comprise the Statement of Financial Activities, Balance Sheet, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, 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 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 original financial statements were 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 auditor's report 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.

Ann Watson's Trust

Independent Auditor's Report to the Members of Ann Watson's Trust (continued)

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; 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 (set out on page 6), the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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.

Auditor Responsibilities for the audit of the financial statements

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.

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

Ann Watson's Trust

Independent Auditor's Report to the Members of Ann Watson's Trust (continued)

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.

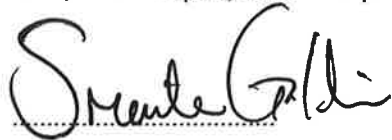
We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to trustees 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 its 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 9BA

Date: 23/7/2024

Smailes Goldie is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Ann Watson's Trust

Statement of Financial Activities for the Year Ended 31 December 2023

	Note	Unrestricted funds £	Designated funds £	Endowment funds £	Total 2023 £	Total 2022 £
Income and Endowments from:						
Investment income	2	91,364	28,299	617,559	737,222	606,671
Total income		91,364	28,299	617,559	737,222	606,671
Expenditure on:						
Raising funds	3	-	-	(166,237)	(166,237)	(195,506)
Charitable activities	4	(312,673)	-	-	(312,673)	(278,755)
Total expenditure		(312,673)	-	(166,237)	(478,910)	(474,261)
Gains/losses on investment assets		40,732	15,040	374,625	430,397	6,004,071
Net (expenditure)/income		(180,577)	43,339	825,947	688,709	6,136,481
Gross transfers between funds		489,089	-	(489,089)	-	-
Net movement in funds		308,512	43,339	336,858	688,709	6,136,481
Reconciliation of funds						
Total funds brought forward		2,634,644	698,077	26,386,031	29,718,752	23,582,271
Total funds carried forward	17	2,943,156	741,416	26,722,889	30,407,461	29,718,752

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 is shown in note 17.

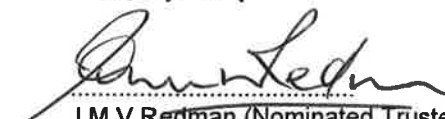
The notes on pages 13 to 26 form an integral part of these financial statements.

Ann Watson's Trust

(Registration number: 226675)
Balance Sheet as at 31 December 2023

	Note	Unrestricted fund £	Designated fund £	Endowment fund £	2023 £	2022 £
Fixed assets						
Tangible assets	12	7,782	-	-	7,782	16,273
Investment properties	13	-	-	20,084,500	20,084,500	20,084,500
Listed investments	13	<u>1,796,456</u>	<u>741,416</u>	<u>6,477,001</u>	<u>9,014,873</u>	<u>8,636,128</u>
		<u>1,804,238</u>	<u>741,416</u>	<u>26,561,501</u>	<u>29,107,155</u>	<u>28,736,901</u>
Current assets						
Debtors	15	102,360	-	-	102,360	50,220
Cash at bank and in hand		<u>1,103,762</u>	<u>-</u>	<u>161,388</u>	<u>1,265,150</u>	<u>982,407</u>
		1,206,122	-	161,388	1,367,510	1,032,627
Creditors: Amounts falling due within one year	16	<u>(67,204)</u>	<u>-</u>	<u>-</u>	<u>(67,204)</u>	<u>(50,776)</u>
Net current assets		<u>1,138,918</u>	<u>-</u>	<u>161,388</u>	<u>1,300,306</u>	<u>981,851</u>
Net assets		<u>2,943,156</u>	<u>741,416</u>	<u>26,722,889</u>	<u>30,407,461</u>	<u>29,718,752</u>
Funds of the charity:						
Endowment funds		-	-	26,722,889	26,722,889	26,386,031
Total unrestricted funds		<u>2,943,156</u>	<u>741,416</u>	<u>-</u>	<u>3,684,572</u>	<u>3,332,721</u>
Total funds	17	<u>2,943,156</u>	<u>741,416</u>	<u>26,722,889</u>	<u>30,407,461</u>	<u>29,718,752</u>

The financial statements on pages 10 to 26 were approved by the trustees, and authorised for issue on 23/7/2024 and signed on their behalf by:


J M V Redman (Nominated Trustee)
Chairman

Ann Watson's Trust

Cash Flow Statement for the Year Ended 31 December 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash income		688,709	6,136,481
Adjustments to cash flows from non-cash items			
Depreciation	3	8,491	9,122
Investment income	2	(737,222)	(606,671)
Revaluation of investments		<u>(388,129)</u>	<u>(6,680,932)</u>
		(428,151)	(1,142,000)
Working capital adjustments			
Increase in debtors	15	(52,140)	(33,942)
Increase/(decrease) in creditors	16	<u>16,428</u>	<u>(11,415)</u>
Net cash flows from operating activities		<u>(463,863)</u>	<u>(1,187,357)</u>
Cash flows from investing activities			
Interest receivable and similar income	2	737,222	606,671
Purchase of investments	13	(1,459,734)	(3,483,057)
Sale of investments		<u>1,469,118</u>	<u>3,758,921</u>
Net cash flows from investing activities		<u>746,606</u>	<u>882,535</u>
Net increase/(decrease) in cash and cash equivalents		282,743	(304,822)
Cash and cash equivalents at 1 January		<u>982,407</u>	<u>1,287,229</u>
Cash and cash equivalents at 31 December		<u><u>1,265,150</u></u>	<u><u>982,407</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Ann Watson's Trust

Notes to the Financial Statements for the Year Ended 31 December 2023

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Ann Watson's Trust meets the definition of a public benefit entity under Charity SORP FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

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

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

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.

Ann Watson's Trust

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

Grant expenditure

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.

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.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Plant & Machinery	Straight Line over 10 Years
Computer Equipment	33% on Cost

Investment properties

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Ann Watson's Trust

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

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.

On 1st January 2023 following Charity Commission approval, the trustees have adopted a total return approach to the management of the Trust's investment portfolio. Under this approach the value of the investments held on 31st December 1979 are preserved as a permanent endowment and the value of this increased by the rate of RPI/CPI in the intervening period. The adjusted value as at 1 January 2023 has been calculated as £2,144,023. Surplus funds above this amount are classed as unapplied total return for allocation to the income fund to be used as required to fund any expenditure towards the aims of Ann Watson's Trust.

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Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

Pensions and other post retirement obligations

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.

2 Investment income

	Unrestricted funds Designated £	General £	Endowment £	Total 2023 £	Total 2022 £
Interest receivable on bank deposits	-	23,370	-	23,370	5,181
Other income from fixed asset investments	28,299	67,994	176,321	272,614	267,101
Residential property rents received	-	-	94,503	94,503	71,205
Farm property rents received	-	-	346,735	346,735	263,184
	<u>28,299</u>	<u>91,364</u>	<u>617,559</u>	<u>737,222</u>	<u>606,671</u>

3 Expenditure on raising funds

a) Investment management costs

	Endowment funds Permanent £	Total 2023 £	Total 2022 £
Investment portfolio management costs	19,545	19,545	38,062
Property management and rent collection	43,998	43,998	24,833
Property repairs	25,427	25,427	20,084
Property insurance	18,921	18,921	12,999
Legal and professional fees	58,346	58,346	99,528
	<u>166,237</u>	<u>166,237</u>	<u>195,506</u>

Ann Watson's Trust

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

4 Expenditure on charitable activities

	Note	Total 2023 £	Total 2022 £
Activities undertaken directly	5	63,292	44,923
Grant funding of activities		176,292	162,869
Allocated support costs and governance costs		73,089	70,963
		<u>312,673</u>	<u>278,755</u>

5 Activities undertaken directly

	2023 £	2022 £
Rates	3,422	6,741
Legal and professional fees	-	2,087
Lifeline	1,288	1,589
Maintenance and repairs	32,612	11,767
Garden maintenance	3,349	4,100
Light, heat and power	13,922	11,838
Insurance	8,109	5,553
Telephone and fax	590	1,248
	<u>63,292</u>	<u>44,923</u>

Ann Watson's Trust

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

6 Analysis of governance and support costs

	Total 2023 £	Total 2022 £
Staff costs		
Wages and salaries	12,500	10,940
Pension costs	1,830	1,983
Audit fees		
Audit of the financial statements	9,690	6,415
Other fees paid to auditors	8,802	8,139
Depreciation, amortisation and other similar costs	8,491	9,122
Printing, postage and stationery	3,122	2,991
Sundry expenses	11,160	13,013
Professional indemnity insurance	1,100	1,274
Legal and professional	15,273	15,514
Bank charges	1,121	1,572
	<u>73,089</u>	<u>70,963</u>

Ann Watson's Trust

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

7 Grant-making

Analysis of grants

	Grants to institutions		Grants to individuals	
	2023	2022	2023	2022
	£	£	£	£
Barmby Moor PCC	3,000	-	-	-
Dyslexia Institute	20,105	12,390	-	-
GirlGuiding - Hull East Division	3,000	-	-	-
HETA	30,000	39,375	-	-
Hull Women's Aid	4,000	-	-	-
Humber Teaching NHS Foundation Trust	-	200	-	-
Hull Schools Choral Project	58,835	51,680	-	-
Read for Good	2,000	2,000	-	-
Run With It	11,618	-	-	-
Into University	16,000	-	-	-
St Aidans PCC	4,200	2,200	-	-
St. Augustine Church, Hedon	-	3,500	-	-
St Columba Church	4,140	708	-	-
St James C.E. Primary School	1,500	1,500	-	-
University of Hull Employability Grant	-	20,000	-	-
Other Institutions	3,604	4,615	-	-
Clergy Widows - Relief in Need	-	-	5,000	9,500
Education Grants	-	-	6,490	15,201
Education Grants - Bursary Programme	-	-	2,800	-
	<u>162,002</u>	<u>138,168</u>	<u>14,290</u>	<u>24,701</u>

Ann Watson's Trust

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

8 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

J M V Redman (Nominated Trustee)

£Nil (2022: £210) of expenses were reimbursed to J M V Redman (Nominated Trustee) during the year.

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

9 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	12,500	10,940
Pension costs	<u>1,830</u>	<u>1,983</u>
	<u>14,330</u>	<u>12,923</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2023 No	2022 No
Administration and support	<u>1</u>	<u>1</u>

No employee received emoluments of more than £60,000 during the year

10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

Ann Watson's Trust

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

11 Comparative SOFA

	Note	Unrestricted funds £	Designated funds £	Endowment funds £	Total 2022 £
Income and Endowments from:					
Investment income	2	579,018	27,653	-	606,671
Total income		579,018	27,653	-	606,671
Expenditure on:					
Raising funds		(149,608)	(45,898)	-	(195,506)
Charitable activities		(278,755)	-	-	(278,755)
Total expenditure		(428,363)	(45,898)	-	(474,261)
Gains/losses on investment assets		(32,035)	(21,744)	6,057,850	6,004,071
Net income/(expenditure)		118,620	(39,989)	6,057,850	6,136,481
Net movement in funds		118,620	(39,989)	6,057,850	6,136,481
Reconciliation of funds					
Total funds brought forward		2,516,024	738,066	20,328,181	23,582,271
Total funds carried forward	17	2,634,644	698,077	26,386,031	29,718,752

12 Tangible fixed assets

	Plant & machinery £	Computer equipment £	Total £
Cost			
At 1 January 2023	25,472	1,895	27,367
At 31 December 2023	25,472	1,895	27,367
Depreciation			
At 1 January 2023	9,199	1,895	11,094
Charge for the year	8,491	-	8,491
At 31 December 2023	17,690	1,895	19,585
Net book value			
At 31 December 2023	7,782	-	7,782
At 31 December 2022	16,273	-	16,273

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.

Ann Watson's Trust

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

13 Fixed asset investments

Investment properties

		Investment properties £
Cost or Valuation		
At 1 January 2023 and 31 December 2023		<u>20,084,500</u>
Net book value		
At 31 December 2023		<u>20,084,500</u>
At 31 December 2022		<u>20,084,500</u>
Fair value at 31st December 2023 is represented by:		
Valuation in 2022	£	£
	19,125,605	19,125,605
Cost	<u>958,895</u>	<u>958,895</u>
	<u>20,084,500</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. The trustees confirm that to the best of their knowledge, the valuations continue to be consistent with the fair value of the properties at 31 December 2023.

Other freehold properties were valued on an open market value basis at 31st December 2022 by Haller Evans Chartered Surveyors. The trustees confirm that to the best of their knowledge, the valuations continue to be consistent with the fair value of the properties at 31 December 2023.

Listed investments

	Total £
Cost or Valuation	
At 1 January 2023	8,636,128
Additions	1,459,734
Disposals	(1,469,118)
Revaluation	<u>388,129</u>
At 31 December 2023	<u>9,014,873</u>
Net book value	
At 31 December 2023	<u>9,014,873</u>
At 31 December 2022	<u>8,636,128</u>

Ann Watson's Trust

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

Listed investments (continued)

	2023 £	2022 £
UK Government Stocks	98,163	187,416
UK Equities & Unit Trust	8,916,710	8,331,594
International Bonds	-	117,118
	<u>9,014,873</u>	<u>8,636,128</u>

Investments exceeding 5% of market value of portfolio:

	2023 £	2022 £
M&G Charity Multi Asset 21,711 accumulation shares	2,335,387	2,291,181

14 Total return investment of permanent endowment

	Permanent Investment Portfolio £	Unapplied Total Return £	Permanent Endowment: Property £	2023 £
At the beginning of the reporting period				
Gift component of the permanent endowment	2,144,023	-	20,084,500	22,228,523
Unapplied total return	-	4,157,509	-	4,157,509
	<u>2,144,023</u>	<u>4,157,509</u>	<u>20,084,500</u>	<u>26,386,032</u>
Movements in reporting period				
Investment return: dividends & interest	59,991	116,330	-	176,321
Investment return: rental income	-	-	441,238	441,238
Investment return: realised and unrealised gains and (losses)	127,462	247,163	-	374,625
Less: Investment management costs	(6,650)	(12,895)	-	(19,545)
Less: Property management costs	-	-	(146,692)	(146,692)
Total return allocated to unapplied total return	(180,803)	180,803	-	-
Unapplied total return allocated to income in the period	-	(194,543)	(294,546)	(489,089)
Net movement in reporting period	<u>-</u>	<u>336,858</u>	<u>-</u>	<u>336,858</u>
At end of reporting period				
Gift component of the permanent endowment	2,144,023	-	20,084,500	22,228,523
Unapplied total return	-	4,494,367	-	4,494,367
	<u>2,144,023</u>	<u>4,494,367</u>	<u>20,084,500</u>	<u>26,722,890</u>

Ann Watson's Trust

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

15 Debtors

	2023 £	2022 £
Trade debtors	32,046	10,605
Prepayments and accrued income	70,314	36,016
VAT recoverable	-	3,599
	<u>102,360</u>	<u>50,220</u>

16 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	4,988	9,414
VAT repayable	26,866	-
Accruals	35,350	41,362
	<u>67,204</u>	<u>50,776</u>

17 Funds

	Balance at 1 January 2023 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 December 2023 £
Unrestricted funds						
General	2,634,644	91,364	(312,673)	489,089	40,732	2,943,156
Designated	<u>698,077</u>	<u>28,299</u>	<u>-</u>	<u>-</u>	<u>15,040</u>	<u>741,416</u>
Total unrestricted funds	3,332,721	119,663	(312,673)	489,089	55,772	3,684,572
Endowment funds						
Permanent	<u>26,386,031</u>	<u>617,559</u>	<u>(166,237)</u>	<u>(489,089)</u>	<u>374,625</u>	<u>26,722,889</u>
Total funds	<u>29,718,752</u>	<u>737,222</u>	<u>(478,910)</u>	<u>-</u>	<u>430,397</u>	<u>30,407,461</u>

Ann Watson's Trust

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2022 £
Unrestricted funds					
General	2,516,024	579,018	(428,363)	(32,035)	2,634,644
Designated	<u>738,066</u>	<u>27,653</u>	<u>(45,898)</u>	<u>(21,744)</u>	<u>698,077</u>
Total unrestricted funds	3,254,090	606,671	(474,261)	(53,779)	3,332,721
Endowment funds					
Permanent	<u>20,328,181</u>	<u>-</u>	<u>-</u>	<u>6,057,850</u>	<u>26,386,031</u>
Total funds	<u>23,582,271</u>	<u>606,671</u>	<u>(474,261)</u>	<u>6,004,071</u>	<u>29,718,752</u>

The specific purposes for which the funds are to be applied are as follows:

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.

Based on the advice given the Trustees have adopted a total return approach within the year to the management of the Trust's investment portfolio. Under this adoption 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.

Ann Watson's Trust

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

18 Related party transactions

During the year the charity made the following related party transactions:

Olivia Overvoorde

(Daughter of trustee, Peter Overvoorde.)

The cost incurred by the charity in the financial year was £Nil (2022: £55). 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. At the balance sheet date the amount due to/from Olivia Overvoorde was £Nil (2022 - £Nil).

