

# ESTATE CHARITY OF WILLIAM HATCLIFFE

England & Wales · Charity number 227720

## Details

**Status** Registered

**Legal form** Other

**Registered** 1964-02-25

**Register** [View on the Charity Commission register](#)

## Contact

**Address** St. Margarets Visitor Centre  
Brandram Road  
Lewisham  
London  
SE13 5EA

**Phone** 07843963907

**Email** [clerk@hatcliffeestate.co.uk](mailto:clerk@hatcliffeestate.co.uk)

## Activities

**Objects:** ONE HALF OF THE NET YEARLY INCOME TO THE TRUSTEES OF THE GREENWICH CHARITY ONE QUARTER OF THE NET YEARLY INCOME TO THE TRUSTEES OF THE LEE CHARITY ONE QUARTER OF THE NET YEARLY INCOME TO THE TRUSTEES OF THE LEWISHAM CHARITY

**Activities:** Support and donations to 3 Local Charities

## Classification

- **How:** Makes Grants To Organisations
- **What:** The Prevention Or Relief Of Poverty
- **Who:** Other Charities Or Voluntary Bodies

## Geography

- **Area of benefit:** ANCIENT PARISHES OF GREENWICH LEE AND LEWISHAM
- Greenwich
- Lewisham

## Finances

| Period end | Income     | Expenditure | Assets      | Employees |
|------------|------------|-------------|-------------|-----------|
| 2025-03-31 | £2,647,356 | £2,292,055  | £71,043,847 | 0         |
| 2024-03-31 | £2,413,287 | £2,151,652  | £69,788,546 | 0         |
| 2023-03-31 | £2,230,398 | £1,808,386  | £69,060,592 | 0         |
| 2022-03-31 | £1,927,772 | £1,457,512  | £64,761,776 | 0         |
| 2021-03-31 | £1,974,289 | £1,641,810  | £61,655,102 | 0         |

## Trustees

| Name                         | Role  | Appointed  |
|------------------------------|-------|------------|
| <b>ANDREW CHARLES BLUNDY</b> | Chair |            |
| Anirudhya Neeladri Dakshy    |       | 2024-01-24 |
| Christine Melville           |       | 2020-03-10 |
| David Adamson-Hill           |       | 2025-09-01 |
| Gregory James Kirby MBA FRSA |       |            |
| HELEN MCINTOSH               |       | 2020-03-10 |
| Jeremy Holland               |       | 2025-12-03 |
| Joseph William Nicholson     |       | 2023-03-13 |
| Julian Watson                |       | 2015-10-22 |
| MALCOLM DAVID REID           |       | 2023-09-04 |
| ROGER ANTHONY HOUGH          |       | 2012-01-10 |
| Rev Manuela Schmucki         |       | 2024-09-15 |
| Rev Simon Winn               |       | 2021-06-14 |
| Richard Clough               |       | 2021-09-14 |
| Winifred Doris Kirkman       |       | 2013-01-09 |

---

# Accounts

---

Charity registration number 227720 (England and Wales)

**THE ESTATE CHARITY OF WILLIAM HATCLIFFE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## LEGAL AND ADMINISTRATIVE INFORMATION

---

|                              |                                                                                                           |                               |
|------------------------------|-----------------------------------------------------------------------------------------------------------|-------------------------------|
| <b>Trustees</b>              | Mr A C Blundy (Chair)                                                                                     |                               |
|                              | Mr G Kirby (Vice Chair)                                                                                   |                               |
|                              | Mr R Clough (Vice Chair)                                                                                  |                               |
|                              | Mr R Hough (Treasurer)                                                                                    |                               |
|                              | Mrs W Kirkman                                                                                             |                               |
|                              | Mr J Watson                                                                                               |                               |
|                              | Mr J Nicholson                                                                                            |                               |
|                              | Mr M Reid                                                                                                 |                               |
|                              | Ms H McIntosh                                                                                             |                               |
|                              | Ms C Melville                                                                                             |                               |
|                              | Reverend S Winn                                                                                           |                               |
|                              | Mr A N Dakshy                                                                                             |                               |
|                              | Reverend M Schmucki (ex officio)                                                                          | (Appointed 15 September 2024) |
|                              | Reverend D Adamson-Hill (ex officio)                                                                      | (Appointed 1 September 2025)  |
| <b>Clerk to the Trustees</b> | Mrs S Tearle                                                                                              |                               |
| <b>Charity number</b>        | 227720                                                                                                    |                               |
| <b>Principal address</b>     | St Margaret's Visitor Centre<br>2 Brandram Road<br>Lewisham<br>London<br>SE13 5EA                         |                               |
| <b>Auditor</b>               | Myers Clark<br>Suite 7A, Building 6<br>Croxley Park, Hatters Lane<br>Watford<br>Hertfordshire<br>WD18 8YH |                               |
| <b>Bankers</b>               | CAF Bank Limited<br>25 Kings Hill Avenue<br>Kings Hill<br>West Malling<br>Kent<br>ME19 4JQ                |                               |
|                              | Handelsbanken<br>4th Floor<br>50 Southwark Street<br>London<br>SE1 1UN                                    |                               |
| <b>Solicitors</b>            | Grant Saw Solicitors LLP<br>Wood Wharf Building<br>Horseferry Place<br>London<br>SE10 9BB                 |                               |

---

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## LEGAL AND ADMINISTRATIVE INFORMATION

---

### Property managers

Daniel Watney  
165 Fleet Street  
London  
EC4A 2DW

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## CONTENTS

---

|                                         | <b>Page</b> |
|-----------------------------------------|-------------|
| Trustees' report                        | 1 - 6       |
| Statement of trustees' responsibilities | 7           |
| Independent auditor's report            | 8 - 10      |
| Statement of financial activities       | 11 - 12     |
| Balance sheet                           | 13          |
| Statement of cash flows                 | 14          |
| Notes to the financial statements       | 15 - 23     |

---

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT

### *FOR THE YEAR ENDED 31 MARCH 2025*

---

The Trustees present their annual report and financial statements for the year ended 31 March 2025.

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 governing document, 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 objects are:

To manage the William Hatcliffe Estate and to distribute the net income in accordance with the Will of William Hatcliffe of 1620 and the 1897 Scheme, namely:

- One half to the Trustees of the Greenwich Charity of William Hatcliffe
- One fourth to the Trustees of the Lee Charity of William Hatcliffe
- One fourth to the Trustees of the Lewisham Charity of William Hatcliffe

The net income is determined:

- First, by defraying the costs of repairs, insurance, and other outgoings payable in respect of the property of the Charity, together with all other proper costs, charges, and expenses incurred in the administration and management of the Charity in accordance with the 2008 Variation of the 1897 Scheme.
- Second, the Charity may allocate part of the yearly income to designated funds for specific purposes, such as future property refurbishments, planned preventative maintenance, bank loan repayments, and maintaining a contingency fund for flood risk in accordance with the 2008 Variation of the 1897 Scheme. Such allocations should be appropriate to the prudent management of the Charity's estate, which seeks to balance the needs of the current beneficiaries whilst safeguarding the income generation potential of the Charity for future beneficiaries.

The balance then remaining is the net yearly income.

The distribution of the net yearly income to the Beneficiary charities is paid quarterly. A further distribution at the end of the year (decided at the March meeting) is made. Depending on the cash requirements of the Trust set out above, the net yearly income is distributed to the beneficiary charities.

Accordingly, due to the financial position of the charity, and taking into account money put aside in the required funds for use in 2025/26, a further distribution was paid in March 2025.

Trustees continue to seek market rents on all commercial and residential properties and exploit opportunities to improve rental returns. When vacancies occur properties are inspected and, where necessary, a programme of work is implemented to protect the Trustees' long-term interest in the premises. Trustees ensure that additional capital invested generates the appropriate return and that the environment in which the Trustees' property investments is situated is preserved and enhanced.

Works to maintain the overall "streetscape" are also undertaken as part of the preservation and enhancement of the properties and their environment.

In exceptional circumstances the Trustees may dispose of trust property where, for example, it has ceased to be lettable at a reasonable rent and refurbishment or redevelopment is financially unviable. Any such disposal would require the consent of the Charity Commission and any sale proceeds would have to be spent to benefit the estate.

Trustees do not anticipate any significant change in their strategy during the current year.

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

Trustees rely upon the Beneficiary Charities to discharge the charitable aspirations of William Hatcliffe for the public benefit as defined in the individual Trust Deeds. To aid this Trustees' responsibility is the effective management of the property portfolio and the generation of income.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT (CONTINUED)

***FOR THE YEAR ENDED 31 MARCH 2025***

---

### **Achievements and performance**

As its name suggests, the Trust is responsible for, and derives its revenue from, the properties with which it was endowed in the Nineteenth Century.

The Trust's residential properties comprise 22 flats above their commercial properties in Woolwich Road and 109 units in a block of houses and flats on Tuskar Street, Frobisher Street and Woodlands Park Road in the Royal Borough of Greenwich in South East London. The majority of these properties are let on Assured Shorthold Tenancies but 16 properties are subject to statutory Rent Act tenancies limiting rental returns.

Gross residential income continues to steadily increase, with like-for-like annual growth exceeding nine per cent.

We have successfully undertaken refurbishment works on units surrendered by statutory tenants with a gross return of at least 10 per cent on capital employed. Further refurbishments and modernisations are to be reviewed in consultation with the Trustees and prioritised in on a case-by-case basis, in accordance with cash flow and yield objectives.

Planned maintenance works have focused on window upgrades, roof, rainwater goods, damp issues and brickwork repairs.

Trustees continue to be of the opinion that the type of accommodation provided by the Trust properties benefits from a high level of demand. They agree with the recommendation of the Managing Agent that as they fall vacant refurbishment to a high standard should be undertaken. Trustees continue to believe that the capital cost is justified by the enhanced rental income that should be achieved, but will continue to carefully monitor cash flow and cost of borrowing to maintain a balance.

All residential and commercial properties are managed by Daniel Watney LLP.

### **Financial review**

Income before grants, and donations for the year amounted to £2,647,356 (2024: £2,413,287). Expenditure was £2,292,055 (2024: £2,151,652). This includes management fees. Total reserves at the year-end amount to £71,043,847 (2024: £69,788,546).

In the context of the strong rental market, the managing agent has taken a balanced approach to renewals with uplifts of 8 to 10%. The annual gross rental income now exceeds £2,600,000.

Following the insurance claim for flood damage in July 2021 and a new reinstatement valuation in November 2021 the cost of our building insurance increased dramatically. In addition, the portfolio has also been designated as being in a flood risk area and this together with the claims, has meant the basement units are now effectively uninsured for flood. To mitigate this risk, the trustees are setting aside a regular amount into a Flood Damage and Prevention Fund and will also seek additional or alternative insurance at renewal.

The charity has a bank loan of £800,000 which was raised to finance the development works on 79-81 Tuskar street. It is interest only with full repayment due in 2027. The three resulting properties were re-let at a significantly increased rent. (Combined £99,500 per year). Trustees are setting aside the funds for repayment of this loan.

Trustees have not yet decided what is the appropriate decision in relation to 47 to 53 Woolwich Road, Greenwich (the Island Site). Should the Trust decide to develop the site, we will need to have recourse to borrowings for that and for other property refurbishments planned over the next three years.

The charity's bankers, Handelsbanken, will be offered appropriate security for its loan as is already in place over Avenor House. Trustees will carefully monitor their cash flow during the term of the loan. As part of the decision process, trustees will check that the rental income from the residential and commercial units on the redeveloped Island Site will enable them to repay all borrowing within a reasonable time frame.

This should be achieved without detriment to their other activities and the level of distributions to the Beneficiary Charities.

Daniel Watney have carried out a property valuation as of 31 March 2025 and have stated the Fair value as £70,605,000 an increase of £900,000 from 2024.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT (CONTINUED)

### ***FOR THE YEAR ENDED 31 MARCH 2025***

---

#### **Reserves**

The Charity has net assets of £71,043,847 of which £69,805,000 represents the Permanent Endowment Fund which is the value of the property portfolio (£70,605,000), less the value of the two bank loans (£800,000).

There is a total of £951,614 in Designated funds for property maintenance and for the repayment of the bank loans and allocation of funds to the flood contingency fund. This leaves the charity overall with General Unrestricted funds of £287,233 at the year end.

#### **Risk assessment**

Trustees have assessed the major risks to which the Charity is exposed and reviewed a revised Risk register. They are satisfied that systems are in place to mitigate exposure to the major risks which are as follows:

- Damage to trust assets - The entire property portfolio is insured for damage and loss of rent.
- Flood risk – Set aside a Flood Damage and Prevention Fund and seek additional or alternative insurance at renewal.
- If Trustees decide to develop The Island Site, they will carry out a separate risk assessment before embarking on the project.
- Risk that the portfolio will not meet the minimum EPC rating by the deadline – there is a schedule of works to upgrade properties to at least the minimum rating. The previous Government removed the deadline, but the new government may re-introduce one.
- Loss of Computer records – all records backed up offline.
- Loss of physical papers – papers are in locked cabinets and access to the office is limited to known key holders. Older papers archived.
- Financial Control - All bank accounts are operated to their authorised signatory mandates.

Trustees review the Risk assessment at least annually and agreed a revised register at their meeting in March 2025.

#### **Structure, governance and management**

The charity is a charity governed by a charitable Scheme dated 12 November 1897.

The Charity's Scheme stipulates that the Trustees of The Estate Charity of William Hatcliffe shall, when complete, consist of 16 competent persons being:

Three *ex-officio* Trustees.

Thirteen Representative Trustees.

The incumbents for the time being of the ancient parishes of Greenwich, Lee and Lewisham, being Trustees under the above-mentioned Scheme of 12 November 1897, shall be the *ex-officio* Trustees of the said Charity.

The Representative Trustees shall be appointed as follows:

7 by the Trustees of the Greenwich Charity of William Hatcliffe out of their number.

3 by the Trustees of the Lee Charity of William Hatcliffe out of their number.

3 by the Trustees of the Lewisham Charity of William Hatcliffe out of their number.

Nominees are required to confirm acceptance of appointment as a Trustee and their willingness to act in the interest of the Charity. Each appointment is made for the term of four years.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 MARCH 2025*

---

#### **Structure, governance and management (continued)**

The Trustees who served during the year and up to the date of signature of the financial statements were:

Mr A C Blundy (Chair)

Mr G Kirby (Vice Chair)

Mr R Clough (Vice Chair)

Mr R Hough (Treasurer)

Reverend S Hall

(Resigned 1 October 2024)

Mrs W Kirkman

Mr J Watson

Mr J Nicholson

Mr M Reid

Ms H McIntosh

Ms C Melville

Reverend S Winn

Councillor P Slattery

(Resigned 9 September 2025)

Mr A N Dakshy

Reverend M Schmucki (ex officio)

(Appointed 15 September 2024)

Reverend D Adamson-Hill (ex officio)

(Appointed 1 September 2025)

The Reverend M Schmucki became the new Rector of St Margaret's Church, and is therefore an ex-officio trustee as of 15 September 2024.

The Reverend S Hall retired as Vicar of St Mary's Lewisham, and therefore resigned as an ex-officio trustee as of 1 October 2024.

The Reverend D Adamson-Hill became the new vicar of St Mary's Lewisham, and is therefore an ex-officio trustee as of 1 September 2025.

New Trustees are provided with a copy of the Trust Deed, the latest financial statements, relevant reports and copies of the Minutes of recent Trustees meetings. Apart from the three Ex-officio Trustees, who are the incumbents of the parishes in which the Beneficiary Charities are situated, all Trustees are nominated by those charities on the basis of their experience and knowledge relevant to a Trust primarily funded by its property portfolio.

The Trustees include in their number professionals of different disciplines as well as lay people with commercial and social experience. Training on commercial property management has recently been provided for Trustees.

Trustees are encouraged to acquaint themselves with the varied physical and geographical nature of the property portfolio. This is to enable them to make informed and prudent decisions based on the recommendations put to them by appropriately qualified professionals consulted by the Trust.

Trustees are made aware of their duties and responsibilities, expected to state their views at meetings and to question the professional advisers who attend Trustees meetings.

Trustees rely upon the advice of the Clerk for the efficient conduct of the Trust's affairs.

The Trustees generally meet twice each year in March and October. There is provision in the 1897 Scheme to summon Special Meetings.

If the Chair or any Trustee considers it necessary the Clerk is requested to arrange additional meetings of any group of representative Trustees to consider and report on issues referred to them.

The Clerk is responsible for preparation and dispatch of the meeting notices and agenda with supporting papers.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 MARCH 2025*

---

#### **Structure, governance and management (continued)**

At their meeting, the Trustees:

- Receive reports from the Clerk on the administration of the Charity and on the recommendations of any working group of representative Trustees.
- Receive from the Chair his commentary on the affairs of the Charity.
- Review the written report from the Managing Agent. The report also provides updates on any specific issues.
- Representatives of the Managing Agent also attend the meetings to provide additional information and respond to any questions from the Trustees.
- Decide on policy and provide instructions on issues raised. Where appropriate they may authorise the Chairman, in consultation with the Clerk, to implement decisions taken.

The Clerk is responsible for the day-to-day administration of the Charity reporting to the Chairman and Vice-Chairmen. The Clerk will invite instructions where appropriate.

The Charity acknowledges a relationship with:

- the Greenwich Charity of William Hatcliffe and the Misses Smith
- the Lee Charity of William Hatcliffe
- the Lewisham Almshouse Charity of William Hatcliffe and Abraham Colfe.

A summary of grants paid to the Beneficiary Charities is set out in note 6 to the financial statements.

#### **Plans for the future**

The Trustees continue to accept the advice of the Managing Agent that the demand for rental accommodation will continue to be strong. As a result the Hatcliffe Village (as a generic name the Trustees like to use for their properties in Frobisher Street, Tuskar Street and Woodlands Park Road) continues to be strongly placed to take advantage for the following reasons:

- The homogenous nature of the properties offers the opportunity for an overall 'style'.
- The age and varied nature of accommodation differentiates the Hatcliffe Village from current developments in Greenwich and its environs and offers a marketing opportunity.
- The Trust as a single landlord to a close-knit estate can achieve a consistency of approach.
- For the same reason it can secure economies of scale when work needs to be carried out on more than one unit.
- There is scope for utilising (over time) various parcels of land within the estate to create additional residential units.

The above features continue to be evident in newly refurbished or extended properties. The rental obtained on such properties, and their swift letting, has given Trustees confidence in implementing their plans for new developments and refurbishments.

Refurbishments are carried out for the following reasons:

- To comply with the Trust's legal obligations
- To improve the energy efficiency of the properties, ideally to a rating of EPC B or C.
- To ensure the properties have a continued life of 50 to 100 years
- On the advice of the Managing Agent, to enhance the letting value of the properties

#### **47 - 53 Woolwich Road - "The Island Site"**

Planning permission for the redevelopment of this site was granted on appeal on 18th February 2025. The approved plan is for nine residential units with commercial units on the ground floor. However, since the inception of this plan building costs have soared and interest rates have risen. This means that the projected rental income would not cover the development and borrowing costs for 30 years or more and would be a drain on the Charity's income. Accordingly, the Trustees are actively pursuing the marketing of the site and have instructed Daniel Watney to market it for sale. This is a very recent development and as yet there is nothing further to report. Should a sale be approved by Trustees and The Charity Commission, the proceeds will be spent on other refurbishment/redevelopment projects and/or paying off existing bank loans.

As their strategy develops Trustees will continue to discharge their responsibilities to the three Beneficiary Charities.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT (CONTINUED)

***FOR THE YEAR ENDED 31 MARCH 2025***

---

### **Disclosure of information to auditor**

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Furthermore Trustees have confirmed that there are no conflicts of interest in fulfilling their role as Trustee.

The Trustees' report was approved by the Board of Trustees at a quorate meeting on 14th October 2025.

Mr A C Blundy (Chair)

**Trustee**

14 October 2025

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### *FOR THE YEAR ENDED 31 MARCH 2025*

---

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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 operation.

The Trustees are responsible for keeping sufficient 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 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.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF THE ESTATE CHARITY OF WILLIAM HATCLIFFE

---

#### Opinion

We have audited the financial statements of The Estate Charity of William Hatcliffe (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Matters on which we are required to report by exception

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

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

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE ESTATE CHARITY OF WILLIAM HATCLIFFE

---

#### **Responsibilities of Trustees**

As explained more fully in the statement of trustees' responsibilities, 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 cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following;

- The nature of the industry and sector, control environment and business performance including the design of the remuneration policies, key drivers for trustee remuneration, bonus levels and performance targets;
- results of our enquiries of Management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and review the charitable company's documentation of their policies and procedures relating to;
- identifying, evaluating and complying with laws and regulation and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

*We also obtained an understanding of the legal and regulatory frameworks that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements.*

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE ESTATE CHARITY OF WILLIAM HATCLIFFE

---

#### **Audit response to risks identified**

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; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware 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.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

#### **Other matters**

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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) 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.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

#### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Paul Windmill (Senior Statutory Auditor)**  
**for and on behalf of Myers Clark**

.....

**Chartered Accountants**  
**Statutory Auditor**

Suite 7A, Building 6  
Croxley Park, Hatters Lane  
Watford  
Hertfordshire  
WD18 8YH

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## STATEMENT OF FINANCIAL ACTIVITIES

**FOR THE YEAR ENDED 31 MARCH 2025**

### Current financial year

|                                                |       | Unrestricted<br>funds<br>general<br>2025 | Unrestricted<br>funds<br>designated<br>2025 | Endowment<br>funds<br>2025 | Total<br>2025 | Total<br>2024 |
|------------------------------------------------|-------|------------------------------------------|---------------------------------------------|----------------------------|---------------|---------------|
|                                                | Notes | £                                        | £                                           | £                          | £             | £             |
| <b>Income from:</b>                            |       |                                          |                                             |                            |               |               |
| Rental and other investment income             | 3     | 2,647,356                                | -                                           | -                          | 2,647,356     | 2,413,287     |
| <b>Expenditure on:</b>                         |       |                                          |                                             |                            |               |               |
| Raising funds                                  | 4     | 1,617,664                                | -                                           | -                          | 1,617,664     | 1,476,811     |
| Charitable activities                          | 5     | 674,391                                  | -                                           | -                          | 674,391       | 674,841       |
| <b>Total expenditure</b>                       |       | 2,292,055                                | -                                           | -                          | 2,292,055     | 2,151,652     |
| Net gains/(losses) on investments              | 10    | -                                        | -                                           | 900,000                    | 900,000       | 466,319       |
| <b>Net incoming resources before transfers</b> |       | 355,301                                  | -                                           | 900,000                    | 1,255,301     | 727,954       |
| Gross transfers between funds                  |       | (392,746)                                | 392,746                                     | -                          | -             | -             |
| <b>Net movement in funds</b>                   |       | (37,445)                                 | 392,746                                     | 900,000                    | 1,255,301     | 727,954       |
| Fund balances at 1 April 2024                  |       | 324,678                                  | 558,868                                     | 68,905,000                 | 69,788,546    | 69,060,592    |
| <b>Fund balances at 31 March 2025</b>          |       | 287,233                                  | 951,614                                     | 69,805,000                 | 71,043,847    | 69,788,546    |

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2025**

### Prior financial year

|                                                |       | Unrestricted<br>funds<br>general<br>2024 | Unrestricted<br>funds<br>designated<br>2024 | Endowment<br>funds<br>2024 | Total<br>2024 |
|------------------------------------------------|-------|------------------------------------------|---------------------------------------------|----------------------------|---------------|
|                                                | Notes | £                                        | £                                           | £                          | £             |
| <b>Income from:</b>                            |       |                                          |                                             |                            |               |
| Rental and other investment income             | 3     | 2,413,287                                | -                                           | -                          | 2,413,287     |
| <b>Total income</b>                            |       | 2,413,287                                | -                                           | -                          | 2,413,287     |
| <b>Expenditure on:</b>                         |       |                                          |                                             |                            |               |
| Raising funds                                  | 4     | 1,476,811                                | -                                           | -                          | 1,476,811     |
| Charitable activities                          | 5     | 674,841                                  | -                                           | -                          | 674,841       |
| <b>Total expenditure</b>                       |       | 2,151,652                                | -                                           | -                          | 2,151,652     |
| Net gains/(losses) on investments              | 10    | -                                        | -                                           | 466,319                    | 466,319       |
| <b>Net incoming resources before transfers</b> |       | 261,635                                  | -                                           | 466,319                    | 727,954       |
| Gross transfers between funds                  |       | (188,681)                                | 160,000                                     | 28,681                     | -             |
| <b>Net movement in funds</b>                   |       | 72,954                                   | 160,000                                     | 495,000                    | 727,954       |
| Fund balances at 1 April 2023                  |       | 251,724                                  | 398,868                                     | 68,410,000                 | 69,060,592    |
| <b>Fund balances at 31 March 2024</b>          |       | 324,678                                  | 558,868                                     | 68,905,000                 | 69,788,546    |

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## BALANCE SHEET

**AS AT 31 MARCH 2025**

|                                                                |       | 2025      |            | 2024      |            |
|----------------------------------------------------------------|-------|-----------|------------|-----------|------------|
|                                                                | Notes | £         | £          | £         | £          |
| <b>Fixed assets</b>                                            |       |           |            |           |            |
| Investment properties                                          | 11    |           | 70,605,000 |           | 69,705,000 |
| <b>Current assets</b>                                          |       |           |            |           |            |
| Debtors                                                        | 12    | 83,292    |            | 87,025    |            |
| Cash at bank and in hand                                       |       | 1,227,512 |            | 897,488   |            |
|                                                                |       |           |            |           |            |
|                                                                |       | 1,310,804 |            | 984,513   |            |
| <b>Creditors: amounts falling due within one year</b>          | 13    | (71,957)  |            | (100,967) |            |
|                                                                |       |           |            |           |            |
| Net current assets                                             |       |           | 1,238,847  |           | 883,546    |
| <b>Total assets less current liabilities</b>                   |       |           | 71,843,847 |           | 70,588,546 |
| <b>Creditors: amounts falling due after more than one year</b> | 14    |           | (800,000)  |           | (800,000)  |
|                                                                |       |           |            |           |            |
| <b>Net assets</b>                                              |       |           | 71,043,847 |           | 69,788,546 |
| <b>Capital funds</b>                                           |       |           |            |           |            |
| Endowment funds                                                | 15    |           | 69,805,000 |           | 68,905,000 |
| <b>Income funds</b>                                            |       |           |            |           |            |
| Designated funds                                               | 16    | 951,614   |            | 558,868   |            |
| General unrestricted funds                                     |       | 287,233   |            | 324,678   |            |
|                                                                |       |           |            |           |            |
|                                                                |       |           | 1,238,847  |           | 883,546    |
|                                                                |       |           | 71,043,847 |           | 69,788,546 |

The financial statements were approved by the Trustees on 14 October 2025

Mr A C Blundy (Chair)  
Trustee

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 MARCH 2025**

|                                                     |       | 2025      |             | 2024      |             |
|-----------------------------------------------------|-------|-----------|-------------|-----------|-------------|
|                                                     | Notes | £         | £           | £         | £           |
| <b>Cash flows from operating activities</b>         |       |           |             |           |             |
| Cash absorbed by operations                         | 20    |           | (2,317,332) |           | (2,149,235) |
| <b>Investing activities</b>                         |       |           |             |           |             |
| Capital expenditure on investment property          |       | -         |             | (28,681)  |             |
| Investment income received                          |       | 2,647,356 |             | 2,413,287 |             |
| <b>Net cash generated from investing activities</b> |       |           | 2,647,356   |           | 2,384,606   |
| <b>Net cash used in financing activities</b>        |       |           | -           |           | -           |
| <b>Net increase in cash and cash equivalents</b>    |       |           | 330,024     |           | 235,371     |
| Cash and cash equivalents at beginning of year      |       |           | 897,488     |           | 662,117     |
| <b>Cash and cash equivalents at end of year</b>     |       |           | 1,227,512   |           | 897,488     |

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS

### *FOR THE YEAR ENDED 31 MARCH 2025*

---

#### **1 Accounting policies**

##### **Charity information**

The Estate Charity of William Hatcliffe is a registered charity. The principal address is St Margaret's Visitor Centre, Brandram Road, Lewisham, London, SE13 5EA.

##### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The 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, [modified to include the revaluation of investment properties at fair value]. The principal accounting policies adopted are set out below.

##### **1.2 Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue 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 Trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses on the assets form part of the fund.

##### **1.4 Income**

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.

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 ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

---

#### 1 Accounting policies

(Continued)

##### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Fundraising costs comprise the costs incurred in maintaining and managing the investment properties. Support and governance costs are those which do not directly relate to charitable activities, and include the costs of audit and statutory compliance.

Grants are recognised and recorded in the financial statements at full cost at the time the funds are committed and communicated to the beneficiaries by the Board of Trustees.

##### 1.6 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the statement of financial activities.

The investment property portfolio is subject a full professional valuation every three years. In intervening years, the portfolio valuation is derived with reference to a desktop valuation.

##### 1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.8 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

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

##### **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.

##### **Derecognition of financial liabilities**

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

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2025**

### 2 Critical accounting estimates and judgements

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

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

### 3 Rental and other investment income

|                     | <b>Unrestricted funds<br/>general<br/>2025<br/>£</b> | <b>Unrestricted funds<br/>general<br/>2024<br/>£</b> |
|---------------------|------------------------------------------------------|------------------------------------------------------|
| Rental income       | 2,618,270                                            | 2,384,644                                            |
| Other income        | 8,872                                                | 13,025                                               |
| Interest receivable | 20,214                                               | 15,618                                               |
|                     | <u>2,647,356</u>                                     | <u>2,413,287</u>                                     |

### 4 Raising funds

|                                                      | <b>Unrestricted funds<br/>general<br/>2025<br/>£</b> | <b>Unrestricted funds<br/>general<br/>2024<br/>£</b> |
|------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| Repairs and other costs of the investment properties |                                                      |                                                      |
| Insurance costs                                      | 88,686                                               | 77,724                                               |
| Repairs, maintenance and refurbishment costs         | 832,625                                              | 752,487                                              |
| Utilities                                            | 74,288                                               | 60,739                                               |
| Legal and professional                               | 141,426                                              | 153,082                                              |
| Other fundraising costs                              | 1,270                                                | 1,378                                                |
|                                                      | <u>1,138,295</u>                                     | <u>1,045,410</u>                                     |
| Repairs and other costs of the investment properties |                                                      |                                                      |
| Investment management                                | 479,369                                              | 431,401                                              |
|                                                      | <u>1,617,664</u>                                     | <u>1,476,811</u>                                     |

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2025**

### 5 Charitable activities

|                                          | <b>Grants and<br/>donations<br/>2025<br/>£</b> | <b>Grants and<br/>donations<br/>2024<br/>£</b> |
|------------------------------------------|------------------------------------------------|------------------------------------------------|
| Grant funding of activities (see note 6) | 600,000                                        | 600,000                                        |
| Share of support costs (see note 7)      | 53,681                                         | 55,033                                         |
| Share of governance costs (see note 7)   | 20,710                                         | 19,808                                         |
|                                          | <u>674,391</u>                                 | <u>674,841</u>                                 |

### 6 Grants payable

|                                                             | <b>Grants and<br/>donations<br/>2025<br/>£</b> | <b>Grants and<br/>donations<br/>2024<br/>£</b> |
|-------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Grants to institutions:                                     |                                                |                                                |
| Greenwich Charity of William Hatcliffe and the Misses Smith | 300,000                                        | 300,000                                        |
| Lee Charity of William Hatcliffe                            | 150,000                                        | 150,000                                        |
| Lewisham Almhouses Charities                                | 150,000                                        | 150,000                                        |
|                                                             | <u>600,000</u>                                 | <u>600,000</u>                                 |

The payments made to institutions are in line with the charity's objects, as outlined on page 1 of the Trustees' Report.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2025**

### 7 Support costs

|                              | Support costs | Governance costs | 2025          | Support costs | Governance costs | 2024          |
|------------------------------|---------------|------------------|---------------|---------------|------------------|---------------|
|                              | £             | £                | £             | £             | £                | £             |
| Accountancy                  | 144           | -                | 144           | 2,424         | -                | 2,424         |
| Rent and bank charges        | 6,317         | -                | 6,317         | 5,484         | -                | 5,484         |
| Clerks fees                  | 12,500        | -                | 12,500        | 12,500        | -                | 12,500        |
| Loan interest                | 34,720        | -                | 34,720        | 34,625        | -                | 34,625        |
| Audit fees                   | -             | 16,800           | 16,800        | -             | 15,840           | 15,840        |
| Trustees indemnity insurance | -             | 1,503            | 1,503         | -             | 1,460            | 1,460         |
| Arrangement fees             | -             | 1,600            | 1,600         | -             | 1,600            | 1,600         |
| Trustees expenses            | -             | 807              | 807           | -             | 908              | 908           |
|                              | <u>53,681</u> | <u>20,710</u>    | <u>74,391</u> | <u>55,033</u> | <u>19,808</u>    | <u>74,841</u> |
| Analysed between             |               |                  |               |               |                  |               |
| Charitable activities        | <u>53,681</u> | <u>20,710</u>    | <u>74,391</u> | <u>55,033</u> | <u>19,808</u>    | <u>74,841</u> |

Governance costs includes payments to the auditors of £13,320 for audit fees for the year ended 31 March 2025 (2024: £12,840).

Governance costs also include payments to the auditors of £3,480 for accountancy fees (2024: £3,000).

### 8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

No trustees were reimbursed for expenses during the year (2024 - 1 trustee: £109).

### 9 Employees

The average monthly number of employees during the year was nil (2024: nil).

### 10 Gains and losses on investments

|                                      | Endowment funds<br>2025 | Endowment funds<br>2024 |
|--------------------------------------|-------------------------|-------------------------|
|                                      | £                       | £                       |
| Gains/(losses) arising on:           |                         |                         |
| Revaluation of investment properties | <u>900,000</u>          | <u>466,319</u>          |

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

#### 11 Investment property

|                                                    | 2025<br>£  |
|----------------------------------------------------|------------|
| <b>Fair value</b>                                  |            |
| At 1 April 2024                                    | 69,705,000 |
| Net gains or losses through fair value adjustments | 900,000    |
|                                                    | <hr/>      |
| At 31 March 2025                                   | 70,605,000 |
|                                                    | <hr/>      |

Investment property comprises a mixture of both residential and commercial units. The fair value of the investment property has been arrived at on the basis of valuations carried out by Daniel Watney LLP, Chartered Surveyors, who are not connected to the charity. The valuations were made on an open market basis by reference to market evidence of transaction prices for similar properties.

The entire investment property portfolio was professionally revalued at 31 March 2023. The valuation at 31 March 2025 is based on a desktop valuation that has been undertaken by Daniel Watney LLP, with the next full professional valuation due to be undertaken at 31 March 2026, as per the accounting policy.

#### 12 Debtors

|                                             | 2025<br>£ | 2024<br>£ |
|---------------------------------------------|-----------|-----------|
| <b>Amounts falling due within one year:</b> |           |           |
| Other debtors                               | 25,329    | 29,722    |
| Prepayments and accrued income              | 57,963    | 57,303    |
|                                             | <hr/>     | <hr/>     |
|                                             | 83,292    | 87,025    |
|                                             | <hr/>     | <hr/>     |

#### 13 Creditors: amounts falling due within one year

|                              | 2025<br>£ | 2024<br>£ |
|------------------------------|-----------|-----------|
| Trade creditors              | 469       | -         |
| Other creditors              | 10,975    | 10,975    |
| Accruals and deferred income | 60,513    | 89,992    |
|                              | <hr/>     | <hr/>     |
|                              | 71,957    | 100,967   |
|                              | <hr/>     | <hr/>     |

#### 14 Creditors: amounts falling due after more than one year

|              | 2025<br>£ | 2024<br>£ |
|--------------|-----------|-----------|
| <b>Notes</b> |           |           |
| Bank loans   | 800,000   | 800,000   |
|              | <hr/>     | <hr/>     |

In respect of the two 'property Investment Loans' of £400,000 each, both of these have a 'Fixed Priority Legal Charge' over the office and commercial buildings at Avener House held under title deed TGL304152.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

#### 15 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

|                             | Balance at<br>1 April 2023<br>£ | Transfers<br>£ | Gains and<br>losses<br>£ | Balance at<br>1 April 2024<br>£ | Gains and<br>losses 31 March 2025<br>£ | Balance at<br>31 March 2025<br>£ |
|-----------------------------|---------------------------------|----------------|--------------------------|---------------------------------|----------------------------------------|----------------------------------|
| <b>Permanent endowments</b> |                                 |                |                          |                                 |                                        |                                  |
| Endowment fund              | 68,410,000                      | 28,681         | 466,319                  | 68,905,000                      | 900,000                                | 69,805,000                       |
|                             | <u>68,410,000</u>               | <u>28,681</u>  | <u>466,319</u>           | <u>68,905,000</u>               | <u>900,000</u>                         | <u>69,805,000</u>                |

#### 16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

|                             | Balance at<br>1 April 2023<br>£ | Transfers<br>£ | Balance at<br>1 April 2024<br>£ | Transfers<br>£ | Balance at<br>31 March 2025<br>£ |
|-----------------------------|---------------------------------|----------------|---------------------------------|----------------|----------------------------------|
| Property development fund   | 78,868                          | -              | 78,868                          | 171,132        | 250,000                          |
| Bank loan repayment fund    | 320,000                         | 160,000        | 480,000                         | 160,000        | 640,000                          |
| Flood Risk Contingency fund | -                               | -              | -                               | 61,614         | 61,614                           |
|                             | <u>398,868</u>                  | <u>160,000</u> | <u>558,868</u>                  | <u>392,746</u> | <u>951,614</u>                   |

The property development fund has been established by the Trustees and authorised by the Charities Commission on 4 January 2008 in order to provide for the repair, improvement and rebuilding of investment properties. At 31 March 2025, a further £171,132 was transferred to this fund, which is planned to be used by the charity in the 2025/26 financial year for the maintenance of the estate.

In 2022/23, the Trustees agreed to establish a Bank Loan Repayment Fund to set aside the funds to repay the principal value of the bank loan when it falls due, in 2027. In order to do so, the Trustees have agreed to transfer £160,000 each year from the unrestricted funds over the five year loan term.

Further to the Trustees' risk assessment, one of the major risks identified is in relation to the flood risk to the basement units in the portfolio. As a result of being designated as being in a flood risk area and a claim being made following flood damage in July 2021, the basement units are now effectively uninsured for flood. To mitigate this risk, the Trustees are building up a flood risk contingency fund at £30,000 per year. The transfer from unrestricted funds in 2024/25 includes two years' worth of transfers, due to the fund being established after the 2023/24 year, which was the year of the fund being agreed to be set up.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

#### 17 Analysis of net assets between funds

|                              | Unrestricted<br>funds<br>general<br>2025<br>£ | Unrestricted<br>funds<br>Designated<br>2025<br>£ | Endowment<br>funds<br>2025<br>£ | Total<br>2025<br>£ |
|------------------------------|-----------------------------------------------|--------------------------------------------------|---------------------------------|--------------------|
| <b>At 31 March 2025:</b>     |                                               |                                                  |                                 |                    |
| Investment properties        | -                                             | -                                                | 70,605,000                      | 70,605,000         |
| Current assets/(liabilities) | 287,233                                       | 951,614                                          | -                               | 1,238,847          |
| Long term liabilities        | -                                             | -                                                | (800,000)                       | (800,000)          |
|                              | <u>287,233</u>                                | <u>951,614</u>                                   | <u>69,805,000</u>               | <u>71,043,847</u>  |
|                              |                                               |                                                  |                                 |                    |
|                              | Unrestricted<br>funds<br>general<br>2024<br>£ | Unrestricted<br>funds<br>Designated<br>2024<br>£ | Endowment<br>funds<br>2024<br>£ | Total<br>2024<br>£ |
| <b>At 31 March 2024:</b>     |                                               |                                                  |                                 |                    |
| Investment properties        | -                                             | -                                                | 69,705,000                      | 69,705,000         |
| Current assets/(liabilities) | 324,678                                       | 558,868                                          | -                               | 883,546            |
| Long term liabilities        | -                                             | -                                                | (800,000)                       | (800,000)          |
|                              | <u>324,678</u>                                | <u>558,868</u>                                   | <u>68,905,000</u>               | <u>69,788,546</u>  |

#### 18 Operating lease commitments

##### Lessor

The leases are negotiated over terms of 5-15 years and rentals are fixed for 5-15 years. Some leases include a provision for five-yearly upward rent reviews according to prevailing market conditions. There are no options in place for either party to extend the lease terms.

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

|                            | 2025<br>£      | 2024<br>£      |
|----------------------------|----------------|----------------|
| Within one year            | 140,743        | 108,650        |
| Between two and five years | 162,863        | 51,158         |
| In over five years         | 2,333          | -              |
|                            | <u>305,939</u> | <u>159,808</u> |

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

#### 19 Related party transactions

Mr A C Blundy, Mr M Reid, Mr G Kirby, Mr R Hough, Ms H McIntosh, Mrs C Melville, Reverend S Winn and Councillor P Slattery, Trustees of the Charity, are also Directors of Greenwich William Hatcliffe and the Misses Smith Trustee Limited. Greenwich William Hatcliffe and Misses Smith Trustee Limited is the Corporate Trustee of the Greenwich Charity of William Hatcliffe and the Misses Smith. The Charity granted £300,000 (2024: £300,000) to this entity during the year. At the year end, £nil (2024: £nil) grants were outstanding to be paid to the Greenwich Charity of William Hatcliffe and the Misses Smith.

Mrs W Kirkman, Mr R Clough, Mr A N Dakshy and Reverend M M Schmucki, Trustees of the Charity, are also Trustees of the Lee Charity of William Hatcliffe. The Charity granted £150,000 (2024: £150,000) to this entity during the year. At the year end, £nil (2024: £nil) grants were outstanding to be paid to the Lee Charity of William Hatcliffe.

Mr J Watson and Mr J Nicholson, Trustees of the Charity are also Directors of Lewisham Colfe & Hatcliffe Glebe Almshouse Trustee Limited. Lewisham Colfe & Hatcliffe Glebe Almshouse Trustee Limited is the Corporate Trustee of the Lewisham Almshouse Charity of William Hatcliffe and Abraham Colfe. The Charity granted £150,000 (2024: £150,000) to this entity during the year. At the year end, £nil (2024: £nil) grants were outstanding to be paid to the Lewisham Almshouse Charity of William Hatcliffe and Abraham Colfe.

| 20 Cash generated from operations                                 | 2025<br>£          | 2024<br>£          |
|-------------------------------------------------------------------|--------------------|--------------------|
| Surplus for the year                                              | 1,255,301          | 727,954            |
| Adjustments for:                                                  |                    |                    |
| Investment income recognised in statement of financial activities | (2,647,356)        | (2,413,287)        |
| Fair value gains and losses on investment properties              | (900,000)          | (466,319)          |
| Movements in working capital:                                     |                    |                    |
| Decrease in debtors                                               | 3,733              | 3,865              |
| (Decrease) in creditors                                           | (29,010)           | (1,448)            |
| <b>Cash absorbed by operations</b>                                | <b>(2,317,332)</b> | <b>(2,149,235)</b> |

| 21 Analysis of changes in net funds        | At 1 April 2024<br>£ | Cash flows<br>£ | At 31 March 2025<br>£ |
|--------------------------------------------|----------------------|-----------------|-----------------------|
| Cash at bank and in hand                   | 897,488              | 330,024         | 1,227,512             |
| Loans falling due after more than one year | (800,000)            | -               | (800,000)             |
|                                            | <u>97,488</u>        | <u>330,024</u>  | <u>427,512</u>        |

---

# Accounts

---

**THE ESTATE CHARITY OF WILLIAM HATCLIFFE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## LEGAL AND ADMINISTRATIVE INFORMATION

---

|                              |                                                                                            |                               |
|------------------------------|--------------------------------------------------------------------------------------------|-------------------------------|
| <b>Trustees</b>              | Mr A C Blundy (Chair)                                                                      |                               |
|                              | Mr G Kirby (Vice Chair)                                                                    |                               |
|                              | Mr R Clough (Vice Chair)                                                                   |                               |
|                              | Mr R Hough (Treasurer)                                                                     |                               |
|                              | Mrs W Kirkman                                                                              |                               |
|                              | Mr J Watson                                                                                |                               |
|                              | Mr J Nicholson                                                                             |                               |
|                              | Mr M Reid                                                                                  | (Appointed 4 September 2023)  |
|                              | Ms H McIntosh                                                                              |                               |
|                              | Ms C Melville                                                                              |                               |
|                              | Reverend S Winn                                                                            |                               |
|                              | Councillor P Slattery                                                                      |                               |
|                              | Mr A N Dakshy                                                                              | (Appointed 24 January 2024)   |
|                              | Reverend M Schmucki                                                                        | (Appointed 15 September 2024) |
| <b>Clerk to the Trustees</b> | Mrs S Tearle                                                                               |                               |
| <b>Charity number</b>        | 227720                                                                                     |                               |
| <b>Principal address</b>     | St Margaret's Visitor Centre<br>2 Brandram Road<br>Lewisham<br>London<br>SE13 5EA          |                               |
| <b>Auditor</b>               | Myers Clark<br>Egale 1<br>80 St Albans Road<br>Watford<br>Hertfordshire<br>WD17 1DL        |                               |
| <b>Bankers</b>               | CAF Bank Limited<br>25 Kings Hill Avenue<br>Kings Hill<br>West Malling<br>Kent<br>ME19 4JQ |                               |
|                              | Handelsbanken<br>4th Floor<br>50 Southwark Street<br>London<br>SE1 1UN                     |                               |
| <b>Solicitors</b>            | Grant Saw Solicitors LLP<br>Wood Wharf Building<br>Horseferry Place<br>London<br>SE10 9BB  |                               |

---

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## LEGAL AND ADMINISTRATIVE INFORMATION

---

### Property managers

Daniel Watney  
165 Fleet Street  
London  
EC4A 2DW

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## CONTENTS

---

|                                         | <b>Page</b> |
|-----------------------------------------|-------------|
| Trustees' report                        | 1 - 5       |
| Statement of trustees' responsibilities | 6           |
| Independent auditor's report            | 7 - 9       |
| Statement of financial activities       | 10 - 11     |
| Balance sheet                           | 12          |
| Statement of cash flows                 | 13          |
| Notes to the financial statements       | 14 - 22     |

---

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT

### *FOR THE YEAR ENDED 31 MARCH 2024*

---

The Trustees present their annual report and financial statements for the year ended 31 March 2024.

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 governing document, 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 objects are :

Subject to :

- defraying of costs of repairs, insurance and outgoings payable in respect of the property of the Charity,
- paying all the proper costs, charges and expenses of, and incidental to, the administration and management of the Charity out of income - which may include establishing and maintaining a fund for capital expenditure on the properties,
- the net yearly income of the Charity shall be paid:-
  - One half to the Trustees of the Greenwich Charity of William Hatcliffe
  - One fourth to the Trustees of the Lee Charity of William Hatcliffe
  - One fourth to the Trustees of the Lewisham Charity of William Hatcliffe

Trustees continue to seek market rents on all commercial and residential properties and exploit opportunities to improve rental returns. When vacancies occur properties are inspected and, where necessary, a programme of work is implemented to protect the Trustees' long term interest in the premises. Trustees ensure that additional capital invested generates the appropriate return and that the environment in which the Trustees' property investments is situated is preserved and enhanced.

Works to maintain the overall "streetscape" are also undertaken as part of the preservation and enhancement of the properties and their environment.

Trustees do not anticipate any significant change in their strategy during the current year.

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

Trustees rely upon the Beneficiary Charities to discharge the charitable requirements of William Hatcliffe for the public benefit as defined in the individual Trust Deeds. To aid this Trustees' responsibility is the effective management of the property portfolio and the generation of income.

#### **Achievements and performance**

As its name suggests, the Trust is responsible for, and derives its revenue from, the properties with which it was endowed in the Nineteenth Century.

Trustees residential properties comprises 22 flats above their commercial properties in Woolwich Road and 109 units in a block of houses and flats on Tuskar Street, Frobisher Street and Woodlands Park Road in the Royal Borough of Greenwich in South East London. The majority of these properties are let on Assured Shorthold Tenancies but 17 properties are subject to statutory tenancies limiting rental returns.

Gross residential income continues to steadily increase, with like-for-like annual growth exceeding 10%. We have successfully undertaken refurbishment works on returned units with a gross return of around 10% on capital employed. Further refurbishments and modernisations are to be reviewed in consultation with the Trustees and prioritised in on a case-by-case basis, in accordance with cash flow and yield objectives.

Planned maintenance works have focused on window upgrades, roof, rainwater goods and brickwork repairs.

The distribution to the Beneficiary charities are decided by Trustees at their meeting in March each year. This consists of an assured minimum paid quarterly with a further distribution at the end of the year decided at the March meeting.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 MARCH 2024*

---

#### **Achievements and performance (continued)**

The continued increase in Gross residential income has enabled the total distributions to the three Beneficiary Charities to be increased by twenty percent to £600,000 for the year ending 31st March 2024 with a minimum assured increased by forty percent to £336,000. This was agreed at the Trustees meeting held on 14th March 2023.

Trustees now consider that the sum of £336,000 should be the minimum assured to the Beneficiary Charities each year, with the total available for distribution being decided by Trustees at their meeting in March each year.

Trustees continue to be of the opinion that the type of accommodation provided by the Trust properties benefits from a high level of demand. They agree with the recommendation of the Managing Agent that as they fall vacant refurbishment to a high standard should be undertaken. Trustees continue to believe that the capital cost is justified by the enhanced rental income that should be achieved, but will continue to carefully monitor cash flow and cost of borrowing to maintain a balance.

All residential and commercial properties are managed by Daniel Watney LLP.

#### **Financial review**

Income before grants, and donations for the year amounted to £2,413,287 (2023: £2,230,398). Expenditure was £2,151,652 (2023: £1,808,386). This includes management fees. Total reserves at the year-end amount to £69,788,546 (2023: £69,060,592).

In the context of the strong rental market, the managing agent has taken a balanced approach to renewals with uplifts of 8-10%. The gross residential income now exceeds £2,600,000 pa.

Following the insurance claim for flood damage in July 2021 and a new reinstatement valuation in November 2021 the cost of our building insurance increased dramatically. In addition, the portfolio has also been designated as being in a flood risk area and this together with the claims, has meant the basement units are now effectively uninsured for flood. To mitigate this risk, the trustees are setting aside a regular amount into a Flood Damage and Prevention Fund and will also seek additional or alternative insurance at renewal.

The charity has a bank loan of £800,000 which was raised to cover the development works on 79-81 Tuskar street. It is interest only with full repayment due in 2027. The three resulting properties were re-let at a significantly increased rent. (Combined £99,500 per year). Trustees are setting aside the funds for repayment of this loan.

Trustees will need to have recourse to borrowings for the major building development planned over the next three years. As the final budget cost of the development of 47-53 Woolwich Road, Greenwich (the Island Site) becomes clearer and the planning issues are resolved Trustees will seek to negotiate the necessary loan from Handelsbanken to complete the project.

The bank will be offered appropriate security for its loan as already evidenced by the Legal Charge over Avener House that is in place. Trustees will carefully monitor their cash flow during the term of the loan. As part of the decision process, trustees will check that the rental income from the residential and commercial units on the redeveloped Island Site will enable them to repay all borrowing within a reasonable time frame.

This should be achieved without detriment to their other activities and the level of distributions to the Beneficiary Charities.

Daniel Watney have carried out a desktop property valuation as of 31 March 2024 and have stated the Fair value as £69,705,000.

**Reserves** - The Charity has net assets of £69,788,546 of which £68,905,000 represents the Permanent Endowment Fund which is the value of the property portfolio (£69,705,000), less the value of the two bank loans (£800,000). There is a total of £558,868 in Designated funds for property maintenance and for the repayment of the bank loans. This leaves the charity overall with General Unrestricted funds of £324,678 at the year end.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 MARCH 2024*

---

#### **Risk assessment**

Trustees have assessed the major risks to which the Charity is exposed and reviewed a revised Risk register. They are satisfied that systems are in place to mitigate exposure to the major risks which are as follows:

- Damage to trust assets - The entire property portfolio is insured for damage and loss of rent.
- Flood risk – Set aside a Flood Damage and Prevention Fund and seek additional or alternative insurance at renewal.
- Risk that the portfolio will not meet the minimum EPC rating by the deadline – there is a schedule of works to upgrade properties to at least the minimum rating. [The Government has recently removed the deadline, but a future government may re-introduce one.]
- Loss of Computer records – all records backed up offline.
- Loss of physical papers – papers are in locked cabinets and access to the office is limited to known key holders. Older papers archived.
- Financial Control - All bank accounts are operated to their authorised signatory mandates.

Trustees review the Risk assessment at least annually and agreed a revised register at their meeting in March 2024.

#### **Structure, governance and management**

The charity is a charity limited by a charitable trust deed dated 12 November 1897.

The Charity's Scheme stipulates that the Trustees of The Estate Charity of William Hatcliffe shall, when complete, consist of 16 competent persons being:

Three Ex-officio Trustees.

Thirteen Representative Trustees.

The incumbents for the time being of the ancient parishes of Greenwich, Lee and Lewisham, being Trustees under the above mentioned Scheme of 12 November 1897, shall be the Ex-officio Trustees of the said Charity.

The Representative Trustees shall be appointed as follows:

7 by the Trustees of the Greenwich Charity of William Hatcliffe out of their number.

3 by the Trustees of the Lee Charity of William Hatcliffe out of their number.

3 by the Trustees of the Lewisham Charity of William Hatcliffe out of their number.

Nominees are required to confirm acceptance of appointment as a Trustee and their willingness to act in the interest of the Charity. Each appointment is made for the term of four years.

The Trustees who served during the year and up to the date of signature of the financial statements were:

Mr A C Blundy (Chair)

Mr G Kirby (Vice Chair)

Mr R Clough (Vice Chair)

Mr R Hough (Treasurer)

Reverend S Hall

(Resigned 1 October 2024)

Mrs W Kirkman

Mr J Watson

Mr J Nicholson

Reverend T Goode

(Resigned 4 July 2023)

Mr M Reid

(Appointed 4 September 2023)

Ms H McIntosh

Ms C Melville

Reverend S Winn

Councillor P Slattery

Mr A N Dakshy

(Appointed 24 January 2024)

Reverend M Schmucki

(Appointed 15 September 2024)

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 MARCH 2024*

---

#### **Structure, governance and management (continued)**

Mr M Reid was appointed as a trustee representative of the Greenwich Charity in September 2023 to fill the vacancy.

Mr Dakshy was appointed as a trustee representative of the Lee Charity in January 2024 to fill the vacancy.

The Reverend T Goode resigned as an Ex officio trustee of the Lee charity and the Estate charity in July 2023 as he is no longer the incumbent at St Margaret's Church.

The Reverend M Schmucki became the new Rector of St Margaret's Church, and is therefore an ex-officio trustee as of 15 September 2024.

The Reverend S Hall retired as Vicar of St Mary's Lewisham, and therefore resigned as an ex-officio trustee as of 1 October 2024.

New Trustees are provided with a copy of the Trust Deed, the latest financial statements, relevant reports and copies of the Minutes of recent Trustees meetings. Apart from the three Ex-officio Trustees, who are the incumbents of the parishes in which the Beneficiary Charities are situated, all Trustees are nominated by those charities on the basis of their experience and knowledge relevant to a Trust primarily funded by its property portfolio.

The Trustees include in their number professionals of different disciplines as well as lay people with commercial and social experience. Training has recently been provided for Trustees.

Trustees are encouraged to acquaint themselves with the varied physical and geographical nature of the property portfolio. This is to enable them to make informed and prudent decisions based on the recommendations put to them by appropriately qualified professionals consulted by the Trust.

Trustees are made aware of their duties and responsibilities, expected to state their views at meetings and to question the professional advisers who attend Trustees meetings.

Trustees rely upon the advice of the Clerk for the efficient conduct of the Trust's affairs.

The Trustees generally meet twice each year in March and October. There is provision in the Trust Deed to summon Special Meetings.

If the Chair or any Trustee considers it necessary, the Clerk is requested to arrange additional meetings of any group of representative Trustees to consider and report on issues referred to them.

The Clerk is responsible for preparation and dispatch of the meeting notices and agenda with supporting papers.

At their meeting, the Trustees:

- Receive reports from the Clerk on the administration of the Charity and on the recommendations of any working group of representative Trustees.
- Receive from the Chairman his commentary on the affairs of the Charity.
- Review the written report from the Managing Agent. The report also provides updates on any specific issues. Representatives of the Managing Agent also attend the meetings to provide additional information and respond to any questions from the Trustees.
- Decide on policy and provide instructions on issues raised. Where appropriate they may authorise the Chairman, in consultation with the Clerk, to implement decisions taken.

The Clerk is responsible for the day-to-day administration of the Charity reporting to the Chairman and Vice-Chairmen. The Clerk will invite instructions where appropriate.

The Charity acknowledges a relationship with:

- the Greenwich Charity of William Hatcliffe and the Misses Smith
- the Lee Charity of William Hatcliffe
- the Lewisham Almshouse Charity of William Hatcliffe and Abraham Colfe.

A summary of grants paid to the Beneficiary Charities is set out in note 6 to the financial statements.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 MARCH 2024*

---

#### **Plans for the future**

The Trustees continue to accept the advice of the Managing Agent that the demand for rental accommodation will continue to be strong. As a result the Hatcliffe Village (as a generic name the Trustees like to use for their properties in Frobisher Street, Tuskar Street and Woodlands Park Road) continues to be strongly placed to take advantage for the following reasons:

- The homogenous nature of the properties offers the opportunity for an overall 'style'.
- The age and varied nature of accommodation differentiates the Hatcliffe Village from current developments in Greenwich and its environs and offers a marketing opportunity.
- The Trust as a single landlord to a close-knit estate can achieve a consistency of approach.
- For the same reason it can secure economies of scale when work needs to be carried out on more than one unit.
- There is scope for utilising (over time) various parcels of land within the estate to create additional residential units.

The above features continue to be evident in newly refurbished or extended properties. The rental obtained on such properties, and their swift letting, has given Trustees confidence in implementing their plans for new developments and refurbishments.

Refurbishments are carried out for the following reasons:

- To comply with the Trust's legal obligations
- To improve the energy efficiency of the properties, ideally to a rating of EPC B or C.
- To ensure the properties have a continued life of 50 to 100 years
- On the advice of the Managing Agent, to enhance the letting value of the properties

The Trustees are considering various options for The Island Site. The plan submitted for planning consent is for nine residential units of various sizes and commercial space on the ground floor. This would mean that the development would be in line with the proven successful rebuilding of Sumner House and Avenor House. The plans are still going through the planning process. Other options include a sale of the site or redevelopment in partnership with another organisation.

As their strategy develops Trustees will continue to discharge their responsibilities to the three Beneficiary Charities.

#### **Disclosure of information to auditor**

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Furthermore Trustees have confirmed that there are no conflicts of interest in fulfilling their role as Trustee.

The trustees' report was approved by the Board of Trustees.

Mr A C Blundy (Chair)

**Trustee**

15 October 2024

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### *FOR THE YEAR ENDED 31 MARCH 2024*

---

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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 operation.

The Trustees are responsible for keeping sufficient 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 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.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF THE ESTATE CHARITY OF WILLIAM HATCLIFFE

---

#### Opinion

We have audited the financial statements of The Estate Charity of William Hatcliffe (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Matters on which we are required to report by exception

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

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

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE ESTATE CHARITY OF WILLIAM HATCLIFFE

---

#### **Responsibilities of Trustees**

As explained more fully in the statement of trustees' responsibilities, 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 cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following;

- The nature of the industry and sector, control environment and business performance including the design of the remuneration policies, key drivers for trustee remuneration, bonus levels and performance targets;
- results of our enquiries of Management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and review the charitable company's documentation of their policies and procedures relating to;
- identifying, evaluating and complying with laws and regulation and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

*We also obtained an understanding of the legal and regulatory frameworks that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements.*

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE ESTATE CHARITY OF WILLIAM HATCLIFFE

---

#### **Audit response to risks identified**

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; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware 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.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

#### **Other matters**

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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) 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.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

#### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Paul Windmill (Senior Statutory Auditor)**  
for and on behalf of Myers Clark

5 November 2024

**Chartered Accountants**  
**Statutory Auditor**

Egale 1  
80 St Albans Road  
Watford  
Hertfordshire  
WD17 1DL

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## STATEMENT OF FINANCIAL ACTIVITIES

**FOR THE YEAR ENDED 31 MARCH 2024**

### Current financial year

|                                                |       | Unrestricted<br>funds<br>general<br>2024 | Unrestricted<br>funds<br>designated<br>2024 | Endowment<br>funds<br>2024 | Total<br>2024 | Total<br>2023 |
|------------------------------------------------|-------|------------------------------------------|---------------------------------------------|----------------------------|---------------|---------------|
|                                                | Notes | £                                        | £                                           | £                          | £             | £             |
| <b>Income from:</b>                            |       |                                          |                                             |                            |               |               |
| Donations and legacies                         | 3     | -                                        | -                                           | -                          | -             | 4,600         |
| Rental and other investment income             | 4     | 2,413,287                                | -                                           | -                          | 2,413,287     | 2,225,798     |
| <b>Total income</b>                            |       | 2,413,287                                | -                                           | -                          | 2,413,287     | 2,230,398     |
| <b>Expenditure on:</b>                         |       |                                          |                                             |                            |               |               |
| Raising funds                                  | 5     | 1,476,811                                | -                                           | -                          | 1,476,811     | 1,222,169     |
| Charitable activities                          | 6     | 674,841                                  | -                                           | -                          | 674,841       | 586,217       |
| <b>Total expenditure</b>                       |       | 2,151,652                                | -                                           | -                          | 2,151,652     | 1,808,386     |
| Net gains/(losses) on investments              | 11    | -                                        | -                                           | 466,319                    | 466,319       | 3,957,832     |
| <b>Net incoming resources before transfers</b> |       | 261,635                                  | -                                           | 466,319                    | 727,954       | 4,379,844     |
| Gross transfers between funds                  |       | (188,681)                                | 160,000                                     | 28,681                     | -             | -             |
| <b>Net movement in funds</b>                   |       | 72,954                                   | 160,000                                     | 495,000                    | 727,954       | 4,379,844     |
| Fund balances at 1 April 2023                  |       | 251,724                                  | 398,868                                     | 68,410,000                 | 69,060,592    | 64,680,748    |
| <b>Fund balances at 31 March 2024</b>          |       | 324,678                                  | 558,868                                     | 68,905,000                 | 69,788,546    | 69,060,592    |

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2024**

### Prior financial year

|                                                |       | Unrestricted<br>funds<br>general<br>2023 | Unrestricted<br>funds<br>designated<br>2023 | Endowment<br>funds<br>2023 | Total<br>2023 |
|------------------------------------------------|-------|------------------------------------------|---------------------------------------------|----------------------------|---------------|
|                                                | Notes | £                                        | £                                           | £                          | £             |
| <b>Income from:</b>                            |       |                                          |                                             |                            |               |
| Donations and legacies                         | 3     | 4,600                                    | -                                           | -                          | 4,600         |
| Rental and other investment income             | 4     | 2,225,798                                | -                                           | -                          | 2,225,798     |
| <b>Total income</b>                            |       | 2,230,398                                | -                                           | -                          | 2,230,398     |
| <b>Expenditure on:</b>                         |       |                                          |                                             |                            |               |
| Raising funds                                  | 5     | 1,222,169                                | -                                           | -                          | 1,222,169     |
| Charitable activities                          | 6     | 586,217                                  | -                                           | -                          | 586,217       |
| <b>Total expenditure</b>                       |       | 1,808,386                                | -                                           | -                          | 1,808,386     |
| Net gains/(losses) on investments              | 11    | -                                        | -                                           | 3,957,832                  | 3,957,832     |
| <b>Net incoming resources before transfers</b> |       | 422,012                                  | -                                           | 3,957,832                  | 4,379,844     |
| Gross transfers between funds                  |       | 364,832                                  | 320,000                                     | (684,832)                  | -             |
| <b>Net movement in funds</b>                   |       | 786,844                                  | 320,000                                     | 3,273,000                  | 4,379,844     |
| Fund balances at 1 April 2022                  |       | (454,092)                                | 78,868                                      | 65,137,000                 | 64,680,748    |
| <b>Fund balances at 31 March 2023</b>          |       | 251,724                                  | 398,868                                     | 68,410,000                 | 69,060,592    |

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## BALANCE SHEET

**AS AT 31 MARCH 2024**

|                                                                |       | 2024      |            | 2023      |            |
|----------------------------------------------------------------|-------|-----------|------------|-----------|------------|
|                                                                | Notes | £         | £          | £         | £          |
| <b>Fixed assets</b>                                            |       |           |            |           |            |
| Investment properties                                          | 12    |           | 69,705,000 |           | 69,210,000 |
| <b>Current assets</b>                                          |       |           |            |           |            |
| Debtors                                                        | 13    | 87,025    |            | 90,890    |            |
| Cash at bank and in hand                                       |       | 897,488   |            | 662,117   |            |
|                                                                |       |           |            |           |            |
|                                                                |       | 984,513   |            | 753,007   |            |
| <b>Creditors: amounts falling due within one year</b>          | 14    | (100,967) |            | (102,415) |            |
|                                                                |       |           |            |           |            |
| Net current assets                                             |       |           | 883,546    |           | 650,592    |
| <b>Total assets less current liabilities</b>                   |       |           | 70,588,546 |           | 69,860,592 |
| <b>Creditors: amounts falling due after more than one year</b> | 15    |           | (800,000)  |           | (800,000)  |
|                                                                |       |           |            |           |            |
| <b>Net assets</b>                                              |       |           | 69,788,546 |           | 69,060,592 |
| <b>Capital funds</b>                                           |       |           |            |           |            |
| Endowment funds                                                | 16    |           | 68,905,000 |           | 68,410,000 |
| <b>Income funds</b>                                            |       |           |            |           |            |
| Designated funds                                               | 17    | 558,868   |            | 398,868   |            |
| General unrestricted funds                                     |       | 324,678   |            | 251,724   |            |
|                                                                |       |           |            |           |            |
|                                                                |       |           | 883,546    |           | 650,592    |
|                                                                |       |           | 69,788,546 |           | 69,060,592 |

The financial statements were approved by the Trustees on 15 October 2024

Mr A C Blundy (Chair)  
**Trustee**

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 MARCH 2024**

|                                                               |       | 2024      |             | 2023      |             |
|---------------------------------------------------------------|-------|-----------|-------------|-----------|-------------|
|                                                               | Notes | £         | £           | £         | £           |
| <b>Cash flows from operating activities</b>                   |       |           |             |           |             |
| Cash absorbed by operations                                   | 21    |           | (2,149,235) |           | (1,963,324) |
| <b>Investing activities</b>                                   |       |           |             |           |             |
| Capital expenditure on investment property                    |       | (28,681)  |             | (115,168) |             |
| Investment income received                                    |       | 2,413,287 |             | 2,225,798 |             |
| <b>Net cash generated from investing activities</b>           |       |           | 2,384,606   |           | 2,110,630   |
| <b>Financing activities</b>                                   |       |           |             |           |             |
| Proceeds from new bank loans                                  |       | -         |             | 8,000     |             |
| <b>Net cash (used in)/generated from financing activities</b> |       |           | -           |           | 8,000       |
| <b>Net increase in cash and cash equivalents</b>              |       |           | 235,371     |           | 155,306     |
| Cash and cash equivalents at beginning of year                |       |           | 662,117     |           | 506,811     |
| <b>Cash and cash equivalents at end of year</b>               |       |           | 897,488     |           | 662,117     |

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS

### *FOR THE YEAR ENDED 31 MARCH 2024*

---

#### **1 Accounting policies**

##### **Charity information**

The Estate Charity of William Hatcliffe is a registered charity. The principal address is St Margaret's Visitor Centre, Brandram Road, Lewisham, London, SE13 5EA.

##### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The 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, [modified to include the revaluation of investment properties at fair value]. The principal accounting policies adopted are set out below.

##### **1.2 Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue 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 Trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses on the assets form part of the fund.

##### **1.4 Income**

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.

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 ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

---

#### 1 Accounting policies

(Continued)

##### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Fundraising costs comprise the costs incurred in maintaining and managing the investment properties. Support and governance costs are those which do not directly relate to charitable activities, and include the costs of audit and statutory compliance.

Grants are recognised and recorded in the financial statements at full cost at the time the funds are committed and communicated to the beneficiaries by the Board of Trustees.

##### 1.6 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the statement of financial activities.

The investment property portfolio is subject a full professional valuation every three years. In intervening years, the portfolio valuation is derived with reference to a desktop valuation.

##### 1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.8 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

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

##### **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.

##### **Derecognition of financial liabilities**

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

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

---

#### 2 Critical accounting estimates and judgements

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

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

#### 3 Donations and legacies

|                                | <b>Unrestricted<br/>2023<br/>£</b> |
|--------------------------------|------------------------------------|
| Donations for 400th year event | 4,600                              |

#### 4 Rental and other investment income

|                     | <b>Unrestricted funds<br/>general<br/>2024<br/>£</b> | <b>Unrestricted funds<br/>general<br/>2023<br/>£</b> |
|---------------------|------------------------------------------------------|------------------------------------------------------|
| Rental income       | 2,384,644                                            | 2,142,186                                            |
| Other income        | 13,025                                               | 82,052                                               |
| Interest receivable | 15,618                                               | 1,560                                                |
|                     | <u>2,413,287</u>                                     | <u>2,225,798</u>                                     |

Other income in the year ended 31 March 2024, relates to rental sundry recharges. Other income in the year ended 31 March 2023 of £82,052, relates to one off insurance claims.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2024**

### 5 Raising funds

|                                                      | Unrestricted funds<br>general<br>2024<br>£ | Unrestricted funds<br>general<br>2023<br>£ |
|------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| Repairs and other costs of the investment properties |                                            |                                            |
| Insurance costs                                      | 77,724                                     | 74,283                                     |
| Repairs, maintenance and refurbishment costs         | 752,487                                    | 574,868                                    |
| Utilities                                            | 60,739                                     | 57,815                                     |
| Legal and professional                               | 153,082                                    | 104,011                                    |
| Other fundraising costs                              | 1,378                                      | 10,555                                     |
|                                                      | <hr/>                                      | <hr/>                                      |
| Repairs and other costs of the investment properties | 1,045,410                                  | 821,532                                    |
|                                                      | <hr/>                                      | <hr/>                                      |
| <u>Investment management</u>                         | 431,401                                    | 400,637                                    |
|                                                      | <hr/>                                      | <hr/>                                      |
|                                                      | <u>1,476,811</u>                           | <u>1,222,169</u>                           |

### 6 Charitable activities

|                                          | Grants and<br>donations<br>2024<br>£ | Grants and<br>donations<br>2023<br>£ |
|------------------------------------------|--------------------------------------|--------------------------------------|
| Grant funding of activities (see note 7) | 600,000                              | 500,000                              |
| Share of support costs (see note 8)      | 55,033                               | 59,759                               |
| Share of governance costs (see note 8)   | 19,808                               | 26,458                               |
|                                          | <hr/>                                | <hr/>                                |
|                                          | <u>674,841</u>                       | <u>586,217</u>                       |

### 7 Grants payable

|                                                             | Grants and<br>donations<br>2024<br>£ | Grants and<br>donations<br>2023<br>£ |
|-------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Grants to institutions:                                     |                                      |                                      |
| Greenwich Charity of William Hatcliffe and the Misses Smith | 300,000                              | 250,000                              |
| Lee Charity of William Hatcliffe                            | 150,000                              | 125,000                              |
| Lewisham Almhouses Charities                                | 150,000                              | 125,000                              |
|                                                             | <hr/>                                | <hr/>                                |
|                                                             | <u>600,000</u>                       | <u>500,000</u>                       |

The payments made to institutions are in line with the charity's objects, as outlined on page 1 of the Trustees' Report.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2024**

### 8 Support costs

|                              | Support costs | Governance costs | 2024          | Support costs | Governance costs | 2023          |
|------------------------------|---------------|------------------|---------------|---------------|------------------|---------------|
|                              | £             | £                | £             | £             | £                | £             |
| Accountancy                  | 2,424         | -                | 2,424         | 3,000         | -                | 3,000         |
| Rent and bank charges        | 5,484         | -                | 5,484         | 5,338         | -                | 5,338         |
| Clerks fees                  | 12,500        | -                | 12,500        | 16,458        | -                | 16,458        |
| Loan interest                | 34,625        | -                | 34,625        | 34,963        | -                | 34,963        |
| Audit fees                   | -             | 15,840           | 15,840        | -             | 22,212           | 22,212        |
| Trustees indemnity insurance | -             | 1,460            | 1,460         | -             | 1,390            | 1,390         |
| Arrangement fees             | -             | 1,600            | 1,600         | -             | 1,800            | 1,800         |
| Trustees expenses            | -             | 908              | 908           | -             | 1,056            | 1,056         |
|                              | <u>55,033</u> | <u>19,808</u>    | <u>74,841</u> | <u>59,759</u> | <u>26,458</u>    | <u>86,217</u> |
| Analysed between             |               |                  |               |               |                  |               |
| Charitable activities        | <u>55,033</u> | <u>19,808</u>    | <u>74,841</u> | <u>59,759</u> | <u>26,458</u>    | <u>86,217</u> |

Governance costs includes payments to the auditors of £12,840 for audit fees for the year ended 31 March 2024 (2023: £13,200).

Governance costs also include payments to the auditors of £3,000 for accountancy fees (2023: £9,012 additional costs incurred for the audit for the year ended 31 March 2022).

### 9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

1 trustee was reimbursed for expenses in relation to meetings during the year of £109 (2023 - 1 trustee: £103).

### 10 Employees

The average monthly number of employees during the year was nil (2023: nil).

### 11 Gains and losses on investments

|                                      | Endowment funds<br>2024 | Endowment funds<br>2023 |
|--------------------------------------|-------------------------|-------------------------|
|                                      | £                       | £                       |
| Gains/(losses) arising on:           |                         |                         |
| Revaluation of investment properties | <u>466,319</u>          | <u>3,957,832</u>        |

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### 12 Investment property

|                                                    | 2024<br>£  |
|----------------------------------------------------|------------|
| <b>Fair value</b>                                  |            |
| At 1 April 2023                                    | 69,210,000 |
| Capital expenditure on property                    | 28,681     |
| Net gains or losses through fair value adjustments | 466,319    |
|                                                    | <hr/>      |
| At 31 March 2024                                   | 69,705,000 |
|                                                    | <hr/>      |

Investment property comprises a mixture of both residential and commercial units. The fair value of the investment property has been arrived at on the basis of valuations carried out by Daniel Watney LLP, Chartered Surveyors, who are not connected to the charity. The valuations were made on an open market basis by reference to market evidence of transaction prices for similar properties.

The entire investment property portfolio was professionally revalued at 31 March 2023. The valuation at 31 March 2024 is based on a desktop valuation that has been undertaken by Daniel Watney LLP, with the next full professional valuation due to be undertaken at 31 March 2026, as per the accounting policy.

#### 13 Debtors

|                                             | 2024<br>£ | 2023<br>£ |
|---------------------------------------------|-----------|-----------|
| <b>Amounts falling due within one year:</b> |           |           |
| Other debtors                               | 29,722    | 35,871    |
| Prepayments and accrued income              | 57,303    | 55,019    |
|                                             | <hr/>     | <hr/>     |
|                                             | 87,025    | 90,890    |
|                                             | <hr/>     | <hr/>     |

#### 14 Creditors: amounts falling due within one year

|                              | 2024<br>£ | 2023<br>£ |
|------------------------------|-----------|-----------|
| Other creditors              | 10,975    | 10,975    |
| Accruals and deferred income | 89,992    | 91,440    |
|                              | <hr/>     | <hr/>     |
|                              | 100,967   | 102,415   |
|                              | <hr/>     | <hr/>     |

#### 15 Creditors: amounts falling due after more than one year

|              | 2024<br>£ | 2023<br>£ |
|--------------|-----------|-----------|
| <b>Notes</b> |           |           |
| Bank loans   | 800,000   | 800,000   |
|              | <hr/>     | <hr/>     |

In respect of the two 'property Investment Loans' of £400,000 each, both of these have a 'Fixed Priority Legal Charge' over the office and commercial buildings at Avener House held under title deed TGL304152.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### 16 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

|                             | Balance at<br>1 April 2022<br>£ | Transfers<br>£   | Gains and<br>losses<br>£ | Balance at<br>1 April 2023<br>£ | Transfers<br>£ | Gains and<br>losses<br>£ | Balance at<br>31 March 2024<br>£ |
|-----------------------------|---------------------------------|------------------|--------------------------|---------------------------------|----------------|--------------------------|----------------------------------|
| <b>Permanent endowments</b> |                                 |                  |                          |                                 |                |                          |                                  |
| Endowment fund              | 65,137,000                      | (684,832)        | 3,957,832                | 68,410,000                      | 28,681         | 466,319                  | 68,905,000                       |
|                             | <u>65,137,000</u>               | <u>(684,832)</u> | <u>3,957,832</u>         | <u>68,410,000</u>               | <u>28,681</u>  | <u>466,319</u>           | <u>68,905,000</u>                |

The transfer from unrestricted funds represents the additions to the investment property, £28,681.

#### 17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

|                           | Balance at<br>1 April 2022<br>£ | Transfers<br>£ | Balance at<br>1 April 2023<br>£ | Transfers<br>£ | Balance at<br>31 March 2024<br>£ |
|---------------------------|---------------------------------|----------------|---------------------------------|----------------|----------------------------------|
| Property development fund | 78,868                          | -              | 78,868                          | -              | 78,868                           |
| Bank loan repayment fund  | -                               | 320,000        | 320,000                         | 160,000        | 480,000                          |
|                           | <u>78,868</u>                   | <u>320,000</u> | <u>398,868</u>                  | <u>160,000</u> | <u>558,868</u>                   |

The property development fund has been established by the Trustees and authorised by the Charities Commission on 4 January 2008 in order to provide for the repair, improvement and rebuilding of investment properties.

In 2022/23, the Trustees agreed to establish a Bank Loan Repayment Fund to set aside the funds to repay the principal value of the bank loan when it falls due, in 2027. In order to do so, the Trustees have agreed to transfer £160,000 each year from the unrestricted funds over the five year loan term.

The transfer from unrestricted funds in 2022/23 includes two years' worth of transfers, due to the fund being established after the 2021/22 financial year, which was the year of the loan drawdown.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### 18 Analysis of net assets between funds

|                              | Unrestricted<br>funds<br>general<br>2024<br>£ | Unrestricted<br>funds<br>Designated<br>2024<br>£ | Endowment<br>funds<br>2024<br>£ | Total<br>2024<br>£ |
|------------------------------|-----------------------------------------------|--------------------------------------------------|---------------------------------|--------------------|
| <b>At 31 March 2024:</b>     |                                               |                                                  |                                 |                    |
| Investment properties        | -                                             | -                                                | 69,705,000                      | 69,705,000         |
| Current assets/(liabilities) | 324,678                                       | 558,868                                          | -                               | 883,546            |
| Long term liabilities        | -                                             | -                                                | (800,000)                       | (800,000)          |
|                              | <u>324,678</u>                                | <u>558,868</u>                                   | <u>68,905,000</u>               | <u>69,788,546</u>  |
|                              |                                               |                                                  |                                 |                    |
|                              | Unrestricted<br>funds<br>general<br>2023<br>£ | Unrestricted<br>funds<br>Designated<br>2023<br>£ | Endowment<br>funds<br>2023<br>£ | Total<br>2023<br>£ |
| <b>At 31 March 2023:</b>     |                                               |                                                  |                                 |                    |
| Investment properties        | -                                             | -                                                | 69,210,000                      | 69,210,000         |
| Current assets/(liabilities) | 251,724                                       | 398,868                                          | -                               | 650,592            |
| Long term liabilities        | -                                             | -                                                | (800,000)                       | (800,000)          |
|                              | <u>251,724</u>                                | <u>398,868</u>                                   | <u>68,410,000</u>               | <u>69,060,592</u>  |

#### 19 Operating lease commitments

##### Lessor

The leases are negotiated over terms of 5-15 years and rentals are fixed for 5-15 years. Some leases include a provision for five-yearly upward rent reviews according to prevailing market conditions. There are no options in place for either party to extend the lease terms.

At the reporting end date the charity had contracted with tenants the total minimum lease payments of £159,808 (2023: £288,208).

#### 20 Related party transactions

Mr A C Blundy, Mr M Reid, Mr G Kirby, Mr R Hough, Ms H McIntosh, Mrs C Melville, Reverend S Winn and Councillor P Slattery, Trustees of the Charity, are also Trustees of the Greenwich Charity of William Hatcliffe and the Misses Smith. The Charity granted £300,000 (2023: £250,000) to this entity during the year. At the year end, £nil (2023: £nil) grants were outstanding to be paid to the Greenwich Charity of William Hatcliffe and the Misses Smith.

Mrs W Kirkman, Mr R Clough and Mr A N Dakshy, Trustees of the Charity, are also Trustees of the Lee Charity of William Hatcliffe. The Charity granted £150,000 (2023: £125,000) to this entity during the year. At the year end, £nil (2023: £nil) grants were outstanding to be paid to the Lee Charity of William Hatcliffe.

Reverend S Hall, Mr J Watson and Mr J Nicholson, Trustees of the Charity are also Trustees of the Lewisham Almshouse Charity of William Hatcliffe and Abraham Colfe. The Charity granted £150,000 (2023: £125,000) to this entity during the year. At the year end, £nil (2023: £nil) grants were outstanding to be paid to the Lewisham Almshouse Charity of William Hatcliffe and Abraham Colfe.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

|    |                                                                   |                 |             |                  |
|----|-------------------------------------------------------------------|-----------------|-------------|------------------|
| 21 | Cash generated from operations                                    | 2024<br>£       | 2023<br>£   |                  |
|    | Surplus for the year                                              | 727,954         | 4,379,844   |                  |
|    | Adjustments for:                                                  |                 |             |                  |
|    | Investment income recognised in statement of financial activities | (2,413,287)     | (2,225,798) |                  |
|    | Fair value gains and losses on investment properties              | (466,319)       | (3,957,832) |                  |
|    | Movements in working capital:                                     |                 |             |                  |
|    | Decrease/(increase) in debtors                                    | 3,865           | (30,028)    |                  |
|    | (Decrease) in creditors                                           | (1,448)         | (129,510)   |                  |
|    | Cash absorbed by operations                                       | (2,149,235)     | (1,963,324) |                  |
| 22 | Analysis of changes in net funds/(debt)                           |                 |             |                  |
|    |                                                                   | At 1 April 2023 | Cash flows  | At 31 March 2024 |
|    |                                                                   | £               | £           | £                |
|    | Cash at bank and in hand                                          | 662,117         | 235,371     | 897,488          |
|    | Loans falling due after more than one year                        | (800,000)       | -           | (800,000)        |
|    |                                                                   | (137,883)       | 235,371     | 97,488           |

---

# Accounts

---

**THE ESTATE CHARITY OF WILLIAM HATCLIFFE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## LEGAL AND ADMINISTRATIVE INFORMATION

---

|                              |                                                                                            |                              |
|------------------------------|--------------------------------------------------------------------------------------------|------------------------------|
| <b>Trustees</b>              | Mr A C Blundy (Chair)                                                                      |                              |
|                              | Mr G Kirby (Vice Chair)                                                                    |                              |
|                              | Mr R Clough (Vice Chair)                                                                   |                              |
|                              | Mr R Hough (Treasurer)                                                                     |                              |
|                              | Reverend S Hall                                                                            |                              |
|                              | Mrs W Kirkman                                                                              |                              |
|                              | Mr J Watson                                                                                |                              |
|                              | Mr J Nicholson                                                                             | (Appointed 13 March 2023)    |
|                              | Mr M Reid                                                                                  | (Appointed 4 September 2023) |
|                              | Ms H McIntosh                                                                              |                              |
|                              | Ms C Melville                                                                              |                              |
|                              | Reverend S Winn                                                                            |                              |
|                              | Councillor P Slattery                                                                      |                              |
| <b>Clerk to the Trustees</b> | Ms S Tearle                                                                                |                              |
| <b>Charity number</b>        | 227720                                                                                     |                              |
| <b>Principal address</b>     | St Margaret's Visitor Centre<br>2 Brandram Road<br>Lewisham<br>London<br>SE13 5EA          |                              |
| <b>Auditor</b>               | Myers Clark<br>Egale 1<br>80 St Albans Road<br>Watford<br>Hertfordshire<br>WD17 1DL        |                              |
| <b>Bankers</b>               | CAF Bank Limited<br>25 Kings Hill Avenue<br>Kings Hill<br>West Malling<br>Kent<br>ME19 4JQ |                              |
|                              | Handelsbanken<br>1 Cresswell Park<br>Blackheath<br>London<br>SE3 9RD                       |                              |
| <b>Solicitors</b>            | Grant Saw Solicitors LLP<br>Wood Wharf Building<br>Horseferry Place<br>London<br>SE10 9BB  |                              |
| <b>Property managers</b>     | Daniel Watney<br>165 Fleet Street<br>London<br>EC4A 2DW                                    |                              |

---

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## CONTENTS

---

|                                         | <b>Page</b> |
|-----------------------------------------|-------------|
| Trustees' report                        | 1 - 5       |
| Statement of trustees' responsibilities | 6           |
| Independent auditor's report            | 7 - 9       |
| Statement of financial activities       | 10 - 11     |
| Balance sheet                           | 12          |
| Statement of cash flows                 | 13          |
| Notes to the financial statements       | 14 - 23     |

---

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT

### *FOR THE YEAR ENDED 31 MARCH 2023*

---

The Trustees present their annual report and financial statements for the year ended 31 March 2023.

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 governing document, 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 objects are :

Subject to :

- defraying of costs of repairs, insurance and outgoings payable in respect of the property of the Charity,
- paying all the proper costs, charges and expenses of, and incidental to, the administration and management of the Charity out of income - which may include establishing and maintaining a fund for capital expenditure on the properties,
- the net yearly income of the Charity shall be paid:-
  - One half to the Trustees of the Greenwich Charity of William Hatcliffe
  - One fourth to the Trustees of the Lee Charity of William Hatcliffe
  - One fourth to the Trustees of the Lewisham Charity of William Hatcliffe

Trustees continue to seek market rents on all commercial and residential properties and exploit opportunities to improve rental returns. When vacancies occur properties are inspected and, where necessary, a programme of work is implemented to protect the Trustees' long term interest in the premises. Trustees ensure that additional capital invested generates the appropriate return and that the environment in which the Trustees' property investments is situated is preserved and enhanced.

Works to maintain the overall "streetscape" are also undertaken as part of the preservation and enhancement of the properties and their environment.

Trustees do not anticipate any significant change in their strategy during the current year.

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

Trustees rely upon the Beneficiary Charities to discharge the charitable requirements of William Hatcliffe for the public benefit as defined in the individual Trust Deeds. To aid this Trustees' responsibility is the effective management of the property portfolio and the generation of income.

#### **Achievements and performance**

The distributions to the three Beneficiary Charities totalled £500,000 for the year ending 31<sup>st</sup> March 2023. The trustees agreed at their March Trustees meeting that the distributions should be increased to £600,000 from the year 2023/2024.

As the income benefit of the capital investment programme is being seen, Trustees now consider that the sum of £336,000 should be the minimum assured to the Beneficiary Charities each year. At their meeting in March each year Trustees decide the total available for distribution.

As its name suggests, the Trust is responsible for, and derives its revenue from, the properties with which it was endowed in the Nineteenth Century.

Trustees residential properties comprises 22 flats above their commercial properties in Woolwich Road and 109 units in a block of houses and flats on Tuskar Street, Frobisher Street and Woodlands Park Road in the Royal Borough of Greenwich in South East London. The majority of these properties are let on Assured Shorthold Tenancies but 17 properties are subject to statutory tenancies limiting rental returns.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 MARCH 2023*

---

Trustees continue to be of the opinion that the type of accommodation provided by the Trust properties benefits from a high level of demand. They agree with the recommendation of the Managing Agent that as they fall vacant refurbishment to a high standard should be undertaken. Trustees continue to believe that the capital cost is justified by the enhanced rental income that should be achieved, but will continue to carefully monitor cash flow and cost of borrowing to maintain a balance.

All residential and commercial properties are managed by Daniel Watney LLP.

#### **Financial review**

Income before grants, and donations for the year amounted to £2,230,398 (2022: £1,927,772). Expenditure was £1,808,386 (2022: £1,538,540). This includes management fees. Total reserves at the year-end amount to £69,060,592 (2022: £64,680,748).

In the context of the strong rental market, the managing agent has taken a balanced approach to renewals with uplifts of 8-10%. The gross residential income now exceeds £2,000,000 pa.

An ongoing programme of Cyclical External Decoration & Repair works, including replacement windows, has continued to improve the energy performance rating of the related properties. An EPC Audit was carried out in March 2022 to identify potential improvements in EPC rating for all the residential properties and estimated cost of improvement. The Managing agent recommends a balanced assessment of the potential for each unit, adopting sensible upgrades as far as possible in the coming years as the best approach.

The insurance claim for the four flood-affected properties has been settled and the properties re-let. As a result of the claim and a new reinstatement valuation there has been a significant increase in insurance premium. In addition the portfolio has also been designated as being in a flood risk area and this together with the claims, has meant the basement units are now effectively self-insured for flood. To mitigate this risk, the trustees have decided to set aside a regular amount into a Flood Damage and Prevention Fund and also to seek additional or alternative insurance at renewal.

Trustees are always mindful of their responsibility to manage the resources of the Trust wisely and prudently. We only engage specialist professional advisors when necessary to protect the interests of the Trust.

The charity has a bank loan of £800k which was raised to cover the development works on 79-81 Tuskar street. It is interest only with full repayment due in 2027. The three resulting properties have been re-let at a significantly increased rent. (Combined -£99,500 per year).

Trustees will need to have recourse to borrowings for the major building development planned over the next three years. As the final budget cost of the development of 47-53 Woolwich Road, Greenwich (the Island Site) becomes apparent Trustees will seek to negotiate the necessary loan from Handelsbanken to complete the project.

The bank will be offered appropriate security for its loan as already evidenced by the Legal Charge over Avenor House that is in place. Trustees will carefully monitor their cash flow during the term of the loan. As part of the decision process, trustees will check that the rental income from the residential and commercial units on the redeveloped Island Site will enable them to repay all borrowing.

This should be achieved without detriment to their other activities and the level of distributions to the Beneficiary Charities.

Full planning permission was sought in spring 2022 for the Island Site, but is still pending.

Daniel Watney have carried out a property valuation as of 31 March 2023 and have stated the Fair value as £69,210,000.

**Reserves** - The Charity has net assets of £69,860,592 of which £68,410,000 represents the Permanent Endowment Fund which is the value of the property portfolio (£69,210,000), less the value of the two bank loans (£800,000). There is a total of £398,868 in Designated funds for property maintenance and for the repayment of the bank loans. This leaves the charity overall with General Unrestricted funds of £251,724 at the year end.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 MARCH 2023*

---

#### **Risk assessment**

Trustees have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks which are as follows:

- Damage to trust assets - The entire property portfolio is insured for damage and loss of rent.
- Flood risk – Set aside a Flood Damage and Prevention Fund and seek additional or alternative insurance at renewal.
- Risk that the portfolio will not meet the minimum EPC rating by the deadline – there is a schedule of works to upgrade properties to at least the minimum rating. [The Government has recently removed the deadline, but a future government may re-introduce one.]
- Loss of Computer records – all records backed up offline.
- Loss of physical papers – papers are in locked cabinets and access to the office is limited to known key holders. Older papers archived
- Financial Control - All bank accounts are operated to their authorised signatory mandates.

Trustees review the Risk assessment at least annually.

#### **Structure, governance and management**

The charity is a charity limited by a charitable trust deed dated 12 November 1897.

The Charity's Scheme stipulates that the Trustees of The Estate Charity of William Hatcliffe shall, when complete, consist of 16 competent persons being:

Three Ex-officio Trustees.

Thirteen Representative Trustees.

The incumbents for the time being of the ancient parishes of Greenwich, Lee and Lewisham, being Trustees under the above mentioned Scheme of 12 November 1897, shall be the Ex-officio Trustees of the said Charity.

The Representative Trustees shall be appointed as follows:

7 by the Trustees of the Greenwich Charity of William Hatcliffe out of their number.

3 by the Trustees of the Lee Charity of William Hatcliffe out of their number.

3 by the Trustees of the Lewisham Charity of William Hatcliffe out of their number.

Nominees are required to confirm acceptance of appointment as a Trustee and their willingness to act in the interest of the Charity. Each appointment is made for the term of four years.

The Trustees who served during the year and up to the date of signature of the financial statements were:

Mr A C Blundy (Chair)

Mr G Kirby (Vice Chair)

Mr R Clough (Vice Chair)

Mr R Hough (Treasurer)

Reverend S Hall

Mr A Austin

(Resigned 1 June 2022)

Mrs W Kirkman

Mr J Watson

Mr J Nicholson

(Appointed 13 March 2023)

Reverend T Goode

(Resigned 4 July 2023)

Mr M Reid

(Appointed 4 September 2023)

Ms H McIntosh

Ms C Melville

Reverend S Winn

Councillor P Slattery

Mr C Jeal

(Resigned 11 May 2022)

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT (CONTINUED)

### ***FOR THE YEAR ENDED 31 MARCH 2023***

---

Mr Jeal died in May 2022, creating a vacancy as a trustee representative of the Lee Charity.

The Reverend T Goode resigned as an Ex officio trustee of the Lee charity and the Estate charity in July 2023 as he is no longer the incumbent at St Margarets.

Mr Austin retired as a trustee representative of the Greenwich Charity in June 2022, creating a vacancy, which was filled by Mr Malcolm Reid in September 2023.

Mr Nicholson was appointed as a trustee representative of the Lewisham Charity in March 2023 to fill the vacancy.

New Trustees are provided with a copy of the Trust Deed, the latest financial statements, relevant reports and copies of the Minutes of recent Trustees meetings. Apart from the three Ex-officio Trustees, who are the incumbents of the parishes in which the Beneficiary Charities are situated, all Trustees are nominated by those charities on the basis of their experience and knowledge relevant to a Trust primarily funded by its property portfolio.

The Trustees include in their number professionals of different disciplines as well as lay people with commercial and social experience.

Trustees are encouraged to acquaint themselves with the varied physical and geographical nature of the property portfolio. This is to enable them to make informed and prudent decisions based on the recommendations put to them by appropriately qualified professionals consulted by the Trust.

Trustees are made aware of their duties and responsibilities, expected to state their views at meetings and to question the professional advisers who attend Trustees meetings.

Trustees rely upon the advice of the Clerk for the efficient conduct of the Trust's affairs.

The Trustees generally meet twice each year in March and October. There is provision in the Trust Deed to summon Special Meetings.

If the Chairman or any Trustee considers it necessary the Clerk is requested to arrange additional meetings of any group of representative Trustees to consider and report on issues referred to them.

The Clerk is responsible for preparation and dispatch of the meeting notices and agenda with supporting papers. At their meeting, the Trustees:

- Receive reports from the Clerk on the administration of the Charity and on the recommendations of any working group of representative Trustees.
- Receive from the Chairman his commentary on the affairs of the Charity.
- Review the written report from the Managing Agent. The report also provides updates on any specific issues. Representatives of the Managing Agent also attend the meetings to provide additional information and respond to any questions from the Trustees.
- Decide on policy and provide instructions on issues raised. Where appropriate they may authorise the Chairman, in consultation with the Clerk, to implement decisions taken.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 MARCH 2023*

---

#### **Structure, governance and management (continued)**

The Clerk is responsible for the day-to-day administration of the Charity reporting to the Chairman and Vice-Chairmen. The Clerk will invite instructions where appropriate.

The Charity acknowledges a relationship with:

- the Greenwich Charity of William Hatcliffe and the Misses Smith
- the Lee Charity of William Hatcliffe
- the Lewisham Almshouse Charity of William Hatcliffe and Abraham Colfe.

A summary of grants paid to the Beneficiary Charities is set out in note 6 to the financial statements.

#### **Plans for the future**

The Trustees continue to accept the advice of the Managing Agent that the demand for rental accommodation would continue.

As a result the Hatcliffe Village (as a generic name the Trustees like to use for their properties in Frobisher Street, Tuskar Street and Woodlands Park Road) continues to be strongly placed to take advantage for the following reasons:

- The homogenous nature of the properties offers the opportunity for an overall 'style'.
- The age and varied nature of accommodation differentiates the Hatcliffe Village from current developments in Greenwich and its environs and offers a marketing opportunity.
- The Trust as a single landlord to a close-knit estate can achieve a consistency of approach.
- For the same reason it can secure economies of scale when work needs to be carried out on more than one unit.
- There is scope for utilising (over time) various parcels of land within the estate to create additional residential units.

The above features continue to be evident in newly refurbished or extended properties. The rental obtained on such properties, and their swift letting, has given Trustees confidence in implementing their plans for new developments and refurbishments.

Refurbishments are carried out for the following reasons:

- To comply with the Trust's legal obligations
- To improve the energy efficiency of the properties
- To ensure the properties have a continued life of 50 to 100 years
- On the advice of the Managing Agent, to enhance the letting value of the properties

The Trustees plan to redevelop 47-53 Woolwich Road. The plan is for nine residential units of various sizes and commercial space on the ground floor. This would mean that the development would be in line with the proven successful rebuilding of Sumner House and Avenor House.

The plans are still going through the planning process.

As their strategy develops Trustees will continue to discharge their responsibilities to the three Beneficiary Charities.

#### **Disclosure of information to auditor**

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Furthermore Trustees have confirmed that there are no conflicts of interest in fulfilling their role as Trustee.

The trustees' report was approved by the Board of Trustees.

Mr A C Blundy (Chair)

**Trustee**

11 December 2023

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### *FOR THE YEAR ENDED 31 MARCH 2023*

---

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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 operation.

The Trustees are responsible for keeping sufficient 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 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.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF THE ESTATE CHARITY OF WILLIAM HATCLIFFE

---

#### Opinion

We have audited the financial statements of The Estate Charity of William Hatcliffe (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Matters on which we are required to report by exception

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

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

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE ESTATE CHARITY OF WILLIAM HATCLIFFE

---

#### **Responsibilities of Trustees**

As explained more fully in the statement of trustees' responsibilities, 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 cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following;

- The nature of the industry and sector, control environment and business performance including the design of the remuneration policies, key drivers for trustee remuneration, bonus levels and performance targets;
- results of our enquiries of Management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and review the charitable company's documentation of their policies and procedures relating to;
- identifying, evaluating and complying with laws and regulation and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

*We also obtained an understanding of the legal and regulatory frameworks that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements.*

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE ESTATE CHARITY OF WILLIAM HATCLIFFE

---

#### **Audit response to risks identified**

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; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware 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.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

#### **Other matters**

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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) 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.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

#### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Myers Clark**

13 December 2023

**Chartered Accountants  
Statutory Auditor**

Egale 1  
80 St Albans Road  
Watford  
Hertfordshire  
WD17 1DL

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## STATEMENT OF FINANCIAL ACTIVITIES

**FOR THE YEAR ENDED 31 MARCH 2023**

### Current financial year

|                                                |       | Unrestricted<br>funds<br>general<br>2023 | Unrestricted<br>funds<br>designated<br>2023 | Endowment<br>funds<br>2023 | Total<br>2023 | Total<br>2022<br>as restated<br>£ |
|------------------------------------------------|-------|------------------------------------------|---------------------------------------------|----------------------------|---------------|-----------------------------------|
|                                                | Notes | £                                        | £                                           | £                          | £             | £                                 |
| <b>Income from:</b>                            |       |                                          |                                             |                            |               |                                   |
| Donations and legacies                         | 3     | 4,600                                    | -                                           | -                          | 4,600         | -                                 |
| Rental and other investment income             | 4     | 2,225,798                                | -                                           | -                          | 2,225,798     | 1,927,772                         |
| <b>Total income</b>                            |       | 2,230,398                                | -                                           | -                          | 2,230,398     | 1,927,772                         |
| <b>Expenditure on:</b>                         |       |                                          |                                             |                            |               |                                   |
| Raising funds                                  | 5     | 1,222,169                                | -                                           | -                          | 1,222,169     | 988,597                           |
| Charitable activities                          | 6     | 586,217                                  | -                                           | -                          | 586,217       | 549,943                           |
| <b>Total expenditure</b>                       |       | 1,808,386                                | -                                           | -                          | 1,808,386     | 1,538,540                         |
| Net gains/(losses) on investments              | 11    | -                                        | -                                           | 3,957,832                  | 3,957,832     | 2,598,992                         |
| <b>Net incoming resources before transfers</b> |       | 422,012                                  | -                                           | 3,957,832                  | 4,379,844     | 2,988,224                         |
| <b>Net incoming resources before transfers</b> |       | 422,012                                  | -                                           | 3,957,832                  | 4,379,844     | 2,988,224                         |
| Gross transfers between funds                  |       | 364,832                                  | 320,000                                     | (684,832)                  | -             | -                                 |
| <b>Net movement in funds</b>                   |       | 786,844                                  | 320,000                                     | 3,273,000                  | 4,379,844     | 2,988,224                         |
| Fund balances at 1 April 2022                  |       |                                          |                                             |                            |               |                                   |
| As originally reported                         |       | (373,064)                                | 78,868                                      | 65,137,000                 | 64,761,776    | 61,692,524                        |
| Prior year adjustment                          |       | (81,028)                                 | -                                           | -                          | (81,028)      | -                                 |
| As restated                                    |       | (454,092)                                | 78,868                                      | 65,137,000                 | 64,680,748    | 61,692,524                        |
| <b>Fund balances at 31 March 2023</b>          |       | 251,724                                  | 398,868                                     | 68,410,000                 | 69,060,592    | 64,680,748                        |

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

All income and expenditure derive from continuing activities.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

### Prior financial year

|                                                |       | Unrestricted<br>funds<br>general<br>2022<br>as restated<br>£ | Unrestricted<br>funds<br>designated<br>2022<br>£ | Endowment<br>funds<br>2022<br>£ | Total<br>2022<br>as restated<br>£ |
|------------------------------------------------|-------|--------------------------------------------------------------|--------------------------------------------------|---------------------------------|-----------------------------------|
|                                                | Notes |                                                              |                                                  |                                 |                                   |
| <b>Income from:</b>                            |       |                                                              |                                                  |                                 |                                   |
| Rental and other investment income             | 4     | 1,927,772                                                    | -                                                | -                               | 1,927,772                         |
| <b>Total income</b>                            |       | 1,927,772                                                    | -                                                | -                               | 1,927,772                         |
| <b>Expenditure on:</b>                         |       |                                                              |                                                  |                                 |                                   |
| Raising funds                                  | 5     | 988,597                                                      | -                                                | -                               | 988,597                           |
| Charitable activities                          | 6     | 549,943                                                      | -                                                | -                               | 549,943                           |
| <b>Total expenditure</b>                       |       | 1,538,540                                                    | -                                                | -                               | 1,538,540                         |
| Net gains/(losses) on investments              | 11    | -                                                            | -                                                | 2,598,992                       | 2,598,992                         |
| <b>Net incoming resources before transfers</b> |       | 389,232                                                      | -                                                | 2,598,992                       | 2,988,224                         |
| Gross transfers between funds                  |       | (943,008)                                                    | -                                                | 943,008                         | -                                 |
| <b>Net movement in funds</b>                   |       | (553,776)                                                    | -                                                | 3,542,000                       | 2,988,224                         |
| Fund balances at 1 April 2021                  |       |                                                              |                                                  |                                 |                                   |
| As originally reported                         |       | 18,656                                                       | 78,868                                           | 61,595,000                      | 61,692,524                        |
| Prior year adjustment                          |       | -                                                            | -                                                | -                               | -                                 |
| As restated                                    |       | 18,656                                                       | 78,868                                           | 61,595,000                      | 61,692,524                        |
| <b>Fund balances at 31 March 2022</b>          |       | (535,120)                                                    | 78,868                                           | 65,137,000                      | 64,680,748                        |

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## BALANCE SHEET

**AS AT 31 MARCH 2023**

|                                                                |       | 2023 |                          | 2022<br>as restated |                          |
|----------------------------------------------------------------|-------|------|--------------------------|---------------------|--------------------------|
|                                                                | Notes | £    | £                        | £                   | £                        |
| <b>Fixed assets</b>                                            |       |      |                          |                     |                          |
| Investment properties                                          | 12    |      | 69,210,000               |                     | 65,137,000               |
| <b>Current assets</b>                                          |       |      |                          |                     |                          |
| Debtors                                                        | 13    |      | 90,890                   |                     | 60,862                   |
| Cash at bank and in hand                                       |       |      | 662,117                  |                     | 506,811                  |
|                                                                |       |      | <u>753,007</u>           |                     | <u>567,673</u>           |
| <b>Creditors: amounts falling due within one year</b>          | 14    |      | (102,415)                |                     | (231,925)                |
| Net current assets                                             |       |      | <u>650,592</u>           |                     | <u>335,748</u>           |
| <b>Total assets less current liabilities</b>                   |       |      | <u>69,860,592</u>        |                     | <u>65,472,748</u>        |
| <b>Creditors: amounts falling due after more than one year</b> | 15    |      | (800,000)                |                     | (792,000)                |
| <b>Net assets</b>                                              |       |      | <u><u>69,060,592</u></u> |                     | <u><u>64,680,748</u></u> |
| <b>Capital funds</b>                                           |       |      |                          |                     |                          |
| Endowment funds                                                | 16    |      | 68,410,000               |                     | 65,137,000               |
| <b>Income funds</b>                                            |       |      |                          |                     |                          |
| Unrestricted funds - designated                                |       |      | 398,868                  |                     | 78,868                   |
| <u>Unrestricted funds - general</u>                            |       |      |                          |                     |                          |
| Designated funds                                               | 17    |      | 398,868                  |                     | 78,868                   |
| General unrestricted funds                                     |       |      | <u>(147,144)</u>         |                     | <u>(613,988)</u>         |
|                                                                |       |      | <u>251,724</u>           |                     | <u>(535,120)</u>         |
|                                                                |       |      | <u><u>69,060,592</u></u> |                     | <u><u>64,680,748</u></u> |

The financial statements were approved by the Trustees on 11 December 2023

Mr A C Blundy (Chair)  
**Trustee**

Mr G Kirby (Vice Chair)  
**Trustee**

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 MARCH 2023**

|                                                     |       | 2023      |             | 2022<br>as restated |             |
|-----------------------------------------------------|-------|-----------|-------------|---------------------|-------------|
|                                                     | Notes | £         | £           | £                   | £           |
| <b>Cash flows from operating activities</b>         |       |           |             |                     |             |
| Cash absorbed by operations                         | 21    |           | (1,963,324) |                     | (1,467,095) |
| <b>Investing activities</b>                         |       |           |             |                     |             |
| Capital expenditure on investment property          |       | (115,168) |             | (943,008)           |             |
| Investment income received                          |       | 2,225,798 |             | 1,927,772           |             |
| <b>Net cash generated from investing activities</b> |       |           | 2,110,630   |                     | 984,764     |
| <b>Financing activities</b>                         |       |           |             |                     |             |
| Proceeds from new bank loans                        |       | 8,000     |             | 792,000             |             |
| <b>Net cash generated from financing activities</b> |       |           | 8,000       |                     | 792,000     |
| <b>Net increase in cash and cash equivalents</b>    |       |           | 155,306     |                     | 309,669     |
| Cash and cash equivalents at beginning of year      |       |           | 506,811     |                     | 197,142     |
| <b>Cash and cash equivalents at end of year</b>     |       |           | 662,117     |                     | 506,811     |

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS

### *FOR THE YEAR ENDED 31 MARCH 2023*

---

#### **1 Accounting policies**

##### **Charity information**

The Estate Charity of William Hatcliffe is a registered charity. The principal address is St Margaret's Visitor Centre, Brandram Road, Lewisham, London, SE13 5EA.

##### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The 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, [modified to include the revaluation of investment properties at fair value]. The principal accounting policies adopted are set out below.

##### **1.2 Prior period error**

Where necessary, comparative figures have been adjusted to reflect the correct treatment of property agent's activity and any associated impact on funds.

##### **1.3 Going concern**

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

##### **1.4 Charitable funds**

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

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses on the assets form part of the fund.

##### **1.5 Income**

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.

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 ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

---

#### 1 Accounting policies

(Continued)

##### 1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Fundraising costs comprise the costs incurred in maintaining and managing the investment properties. Support and governance costs are those which do not directly relate to charitable activities, and include the costs of audit and statutory compliance.

Grants are recognised and recorded in the financial statements at full cost at the time the funds are committed and communicated to the beneficiaries by the Board of Trustees.

##### 1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the statement of financial activities.

##### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.9 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

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

##### **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.

##### **Derecognition of financial liabilities**

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

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

---

#### 2 Critical accounting estimates and judgements

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

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

#### 3 Donations and legacies

|                                | <b>Total<br/>2023<br/>£</b> | <b>Total<br/>2022<br/>£</b> |
|--------------------------------|-----------------------------|-----------------------------|
| Donations for 400th year event | 4,600                       | -                           |

#### 4 Rental and other investment income

|                     | <b>Unrestricted<br/>funds<br/>general<br/>2023<br/>£</b> | <b>Unrestricted<br/>funds<br/>general<br/>2022<br/>£</b> |
|---------------------|----------------------------------------------------------|----------------------------------------------------------|
| Rental income       | 2,142,186                                                | 1,911,498                                                |
| Other income        | 82,052                                                   | 15,022                                                   |
| Interest receivable | 1,560                                                    | 1,252                                                    |
|                     | <u>2,225,798</u>                                         | <u>1,927,772</u>                                         |

Other income in the year ended 31 March 2023 of £82,052, relates to one off insurance claims.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

### 5 Raising funds

|                                                      | Unrestricted funds<br>general<br>2023<br>£ | Unrestricted funds<br>general<br>2022<br>£<br>as restated |
|------------------------------------------------------|--------------------------------------------|-----------------------------------------------------------|
| Repairs and other costs of the investment properties |                                            |                                                           |
| Insurance costs                                      | 74,283                                     | -                                                         |
| Repairs, maintenance and refurbishment costs         | 574,868                                    | 363,482                                                   |
| Utilities                                            | 57,815                                     | 41,126                                                    |
| Legal and professional                               | 104,011                                    | 206,068                                                   |
| Other fundraising costs                              | 10,555                                     | 2,113                                                     |
|                                                      | <hr/>                                      | <hr/>                                                     |
| Repairs and other costs of the investment properties | 821,532                                    | 612,789                                                   |
|                                                      | <hr/>                                      | <hr/>                                                     |
| <u>Investment management</u>                         | 400,637                                    | 375,808                                                   |
|                                                      | <hr/>                                      | <hr/>                                                     |
|                                                      | 1,222,169                                  | 988,597                                                   |
|                                                      | <hr/>                                      | <hr/>                                                     |

### 6 Charitable activities

|                                          | Grants and<br>donations<br>2023<br>£ | Grants and<br>donations<br>2022<br>£ |
|------------------------------------------|--------------------------------------|--------------------------------------|
| Grant funding of activities (see note 7) | 500,000                              | 500,000                              |
| Share of support costs (see note 8)      | 59,759                               | 27,044                               |
| Share of governance costs (see note 8)   | 26,458                               | 22,899                               |
|                                          | <hr/>                                | <hr/>                                |
|                                          | 586,217                              | 549,943                              |
|                                          | <hr/>                                | <hr/>                                |

### 7 Grants payable

|                                                             | Grants and<br>donations<br>2023<br>£ | Grants and<br>donations<br>2022<br>£ |
|-------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Grants to institutions:                                     |                                      |                                      |
| Greenwich Charity of William Hatcliffe and the Misses Smith | 250,000                              | 250,000                              |
| Lee Charity of William Hatcliffe                            | 125,000                              | 125,000                              |
| Lewisham Almshouses Charities                               | 125,000                              | 125,000                              |
|                                                             | <hr/>                                | <hr/>                                |
|                                                             | 500,000                              | 500,000                              |
|                                                             | <hr/>                                | <hr/>                                |

The payments made to institutions are in line with the charity's objects, as outlined on page 1 of the Trustees' Report.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 8 Support costs

|                              | Support costs | Governance costs | 2023          | Support costs | Governance costs | 2022          |
|------------------------------|---------------|------------------|---------------|---------------|------------------|---------------|
|                              | £             | £                | £             | £             | £                | £             |
| Accountancy                  | 3,000         | -                | 3,000         | -             | -                | -             |
| Rent and bank charges        | 5,338         | -                | 5,338         | 9,728         | -                | 9,728         |
| Clerks fees                  | 16,458        | -                | 16,458        | 13,950        | -                | 13,950        |
| Loan interest                | 34,963        | -                | 34,963        | 3,366         | -                | 3,366         |
| Audit fees                   | -             | 22,212           | 22,212        | -             | 17,500           | 17,500        |
| Trustees indemnity insurance | -             | 1,390            | 1,390         | -             | 1,350            | 1,350         |
| Arrangement fees             | -             | 1,800            | 1,800         | -             | 3,000            | 3,000         |
| Trustees expenses            | -             | 1,056            | 1,056         | -             | 1,049            | 1,049         |
|                              | <u>59,759</u> | <u>26,458</u>    | <u>86,217</u> | <u>27,044</u> | <u>22,899</u>    | <u>49,943</u> |
| Analysed between             |               |                  |               |               |                  |               |
| Charitable activities        | <u>59,759</u> | <u>26,458</u>    | <u>86,217</u> | <u>27,044</u> | <u>22,899</u>    | <u>49,943</u> |

Governance costs includes payments to the auditors of £13,200 for audit fees for the year ended 31 March 2023 (2022: £17,500).

Governance costs also include additional costs of £9,012 incurred for the audit for the year ended 31 March 2022.

#### 9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

1 trustee was reimbursed for expenses in relation to meetings during the year, of £103.

#### 10 Employees

The average monthly number of employees during the year was nil (2022: nil).

#### 11 Net gains/(losses) on investments

|                                      | Endowment funds  | Endowment funds  |
|--------------------------------------|------------------|------------------|
|                                      | 2023             | 2022             |
|                                      | £                | £                |
| Revaluation of investment properties | <u>3,957,832</u> | <u>2,598,992</u> |

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 12 Investment property

|                                                    | 2023<br>£   |
|----------------------------------------------------|-------------|
| <b>Fair value</b>                                  |             |
| At 1 April 2022                                    | 65,137,000  |
| Additions through external acquisition             | 115,168     |
| Net gains or losses through fair value adjustments | 3,957,832   |
|                                                    | <hr/>       |
| At 31 March 2023                                   | 69,210,000  |
|                                                    | <hr/> <hr/> |

Investment property comprises a mixture of both residential and commercial units. The fair value of the investment property has been arrived at on the basis of valuations carried out at 31 March 2023 by Daniel Watney LLP, Chartered Surveyors, who are not connected to the charity. The valuations were made on an open market basis by reference to market evidence of transaction prices for similar properties.

#### 13 Debtors

|                                             | 2023<br>£   | 2022<br>£   |
|---------------------------------------------|-------------|-------------|
| <b>Amounts falling due within one year:</b> |             |             |
| Other debtors                               | 35,871      | 8,287       |
| Prepayments and accrued income              | 55,019      | 52,575      |
|                                             | <hr/>       | <hr/>       |
|                                             | 90,890      | 60,862      |
|                                             | <hr/> <hr/> | <hr/> <hr/> |

#### 14 Creditors: amounts falling due within one year

|                              | 2023<br>£   | 2022<br>£<br>as restated |
|------------------------------|-------------|--------------------------|
| Other creditors              | 10,975      | 10,975                   |
| Accruals and deferred income | 91,440      | 220,950                  |
|                              | <hr/>       | <hr/>                    |
|                              | 102,415     | 231,925                  |
|                              | <hr/> <hr/> | <hr/> <hr/>              |

#### 15 Creditors: amounts falling due after more than one year

|              | 2023<br>£   | 2022<br>£   |
|--------------|-------------|-------------|
| <b>Notes</b> |             |             |
| Bank loans   | 800,000     | 792,000     |
|              | <hr/> <hr/> | <hr/> <hr/> |

In respect of the two 'property Investment Loans' of £400,000 each, both of these have a 'Fixed Priority Legal Charge' over the office and commercial buildings at Avenor House held under title deed TGL304152.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 16 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

|                             | Balance at<br>1 April 2021 | Transfers      | Revaluations<br>gains and<br>losses | Balance at<br>1 April 2022 | Transfers        | Revaluations<br>gains and<br>losses | Balance at<br>31 March 2023 |
|-----------------------------|----------------------------|----------------|-------------------------------------|----------------------------|------------------|-------------------------------------|-----------------------------|
|                             | £                          | £              | £                                   | £                          | £                | £                                   | £                           |
| <b>Permanent endowments</b> |                            |                |                                     |                            |                  |                                     |                             |
| Endowment fund              | 61,595,000                 | 943,008        | 2,598,992                           | 65,137,000                 | (684,832)        | 3,957,832                           | 68,410,000                  |
|                             | <u>61,595,000</u>          | <u>943,008</u> | <u>2,598,992</u>                    | <u>65,137,000</u>          | <u>(684,832)</u> | <u>3,957,832</u>                    | <u>68,410,000</u>           |

The transfer from unrestricted funds represents the additions to the investment property, £115,168, less the outstanding balance of the bank loan, £800,000.

#### 17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

|                           | Balance at<br>1 April 2021 | Incoming<br>resources | Balance at<br>1 April 2022 | Transfers      | Balance at<br>31 March 2023 |
|---------------------------|----------------------------|-----------------------|----------------------------|----------------|-----------------------------|
|                           | £                          | £                     | £                          | £              | £                           |
| Property development fund | 78,868                     | -                     | 78,868                     | -              | 78,868                      |
| Bank loan repayment fund  | -                          | -                     | -                          | 320,000        | 320,000                     |
|                           | <u>78,868</u>              | <u>-</u>              | <u>78,868</u>              | <u>320,000</u> | <u>398,868</u>              |

The property development fund has been established by the Trustees and authorised by the Charities Commission on 4 January 2008 in order to provide for the repair, improvement and rebuilding of investment properties.

In 2022/23, the Trustees agreed to establish a Bank Loan Repayment Fund to set aside the funds to repay the principal value of the bank loan when it falls due, in 2027. In order to do so, the Trustees have agreed to transfer £160,000 each year from the unrestricted funds over the five year loan term.

The transfer from unrestricted funds in 2022/23 includes two years' worth of transfers, due to the fund being established after the 2021/22 financial year, which was the year of the loan drawdown.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

### 18 Analysis of net assets between funds

|                                                    | Unrestricted<br>funds<br>2023<br>£ | Designated<br>funds<br>2023<br>£ | Endowment<br>funds<br>2023<br>£ | Total Unrestricted<br>funds<br>2023<br>£ | Designated<br>funds<br>2022<br>£ | Endowment<br>funds<br>2022<br>£ | Total<br>2022<br>£ |
|----------------------------------------------------|------------------------------------|----------------------------------|---------------------------------|------------------------------------------|----------------------------------|---------------------------------|--------------------|
| Fund balances at 31 March 2023 are represented by: |                                    |                                  |                                 |                                          |                                  |                                 |                    |
| Investment properties                              | -                                  | -                                | 69,210,000                      | 69,210,000                               | -                                | -                               | 65,137,000         |
| Current assets/(liabilities)                       | 251,724                            | 398,868                          | -                               | 650,592                                  | 256,880                          | 78,868                          | 335,748            |
| Long term liabilities                              | -                                  | -                                | (800,000)                       | (800,000)                                | (792,000)                        | -                               | (792,000)          |
|                                                    | <u>251,724</u>                     | <u>398,868</u>                   | <u>68,410,000</u>               | <u>69,060,592</u>                        | <u>(535,120)</u>                 | <u>65,137,000</u>               | <u>64,680,748</u>  |

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 19 Operating lease commitments

##### Lessor

The leases are negotiated over terms of 5-15 years and rentals are fixed for 5-15 years. Some leases include a provision for five-yearly upward rent reviews according to prevailing market conditions. There are no options in place for either party to extend the lease terms.

At the reporting end date the charity had contracted with tenants the total minimum lease payments of £288,208 (2022: £325,692).

#### 20 Related party transactions

Mr A C Blundy, Mr M Reid, Mr G Kirby, Mr R Hough, Ms H McIntosh, Mrs C Melville, Reverend S Winn and Councillor P Slattery, Trustees of the Charity, are also Trustees of the Greenwich Charity of William Hatcliffe and the Misses Smith. The Charity granted £250,000 (2022: £250,000) to this entity during the year. At the year end, £nil (2022: £nil) grants were outstanding to be paid to the Greenwich Charity of William Hatcliffe and the Misses Smith.

Mrs W Kirkman and R Clough, Trustees of the Charity, are also Trustees of the Lee Charity of William Hatcliffe. The Charity granted £125,000 (2022: £125,000) to this entity during the year. At the year end, £nil (2022: £nil) grants were outstanding to be paid to the Lee Charity of William Hatcliffe.

Reverend S Hall, Mr J Watson and Mr J Nicholson, Trustees of the Charity are also Trustees of the Lewisham Almshouse Charity of William Hatcliffe and Abraham Colfe. The Charity granted £125,000 (2022: £125,000) to this entity during the year. At the year end, £nil (2022: £nil) grants were outstanding to be paid to the Lewisham Almshouse Charity of William Hatcliffe and Abraham Colfe.

| 21 Cash generated from operations                                 | 2023<br>£          | 2022<br>£<br>as restated |
|-------------------------------------------------------------------|--------------------|--------------------------|
| Surplus for the year                                              | 4,379,844          | 2,988,224                |
| Adjustments for:                                                  |                    |                          |
| Investment income recognised in statement of financial activities | (2,225,798)        | (1,927,772)              |
| Fair value gains and losses on investment properties              | (3,957,832)        | (2,598,992)              |
| Movements in working capital:                                     |                    |                          |
| (Increase)/decrease in debtors                                    | (30,028)           | 27,387                   |
| (Decrease)/increase in creditors                                  | (129,510)          | 44,058                   |
| <b>Cash absorbed by operations</b>                                | <b>(1,963,324)</b> | <b>(1,467,095)</b>       |

| 22 Analysis of changes in net (debt)/funds | At 1 April 2022<br>£ | Cash flows<br>£ | At 31 March 2023<br>£ |
|--------------------------------------------|----------------------|-----------------|-----------------------|
| Cash at bank and in hand                   | 506,811              | 155,306         | 662,117               |
| Loans falling due after more than one year | (792,000)            | (8,000)         | (800,000)             |
|                                            | <u>(285,189)</u>     | <u>147,306</u>  | <u>(137,883)</u>      |

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 23 Prior period adjustment

##### Changes to the balance sheet

|                                      | At 31 March 2022       |                 |                   |
|--------------------------------------|------------------------|-----------------|-------------------|
|                                      | As previously reported | Adjustment      | As restated       |
|                                      | £                      | £               | £                 |
| <b>Fixed assets</b>                  |                        |                 |                   |
| Investment properties                | 65,137,000             | -               | 65,137,000        |
| <b>Current assets</b>                |                        |                 |                   |
| Debtors due within one year          | 60,862                 | -               | 60,862            |
| Bank and cash                        | 506,811                | -               | 506,811           |
| <b>Creditors due within one year</b> |                        |                 |                   |
| Other creditors                      | (150,897)              | (81,028)        | (231,925)         |
| <b>Creditors due after one year</b>  |                        |                 |                   |
| Loans and overdrafts                 | (792,000)              | -               | (792,000)         |
|                                      | <u>64,761,776</u>      | <u>(81,028)</u> | <u>64,680,748</u> |
| Net assets                           |                        |                 |                   |
|                                      | <u>64,761,776</u>      | <u>(81,028)</u> | <u>64,680,748</u> |
| Endowment funds                      | 65,137,000             | -               | 65,137,000        |
| Designated funds                     | 78,868                 | -               | 78,868            |
| Unrestricted funds                   | (454,092)              | (81,028)        | (535,120)         |
|                                      | <u>64,761,776</u>      | <u>(81,028)</u> | <u>64,680,748</u> |
| <b>Total equity</b>                  | <u>64,761,776</u>      | <u>(81,028)</u> | <u>64,680,748</u> |

##### Changes to the profit and loss account

|                       | Period ended 31 March 2022 |                 |                  |
|-----------------------|----------------------------|-----------------|------------------|
|                       | As previously reported     | Adjustment      | As restated      |
|                       | £                          | £               | £                |
| Charitable activities | 468,915                    | 81,028          | 549,943          |
| Net movement in funds | <u>3,069,252</u>           | <u>(81,028)</u> | <u>2,988,224</u> |

The accounts include one prior year adjustment to accrue for expenses which relate to the financial year ended 31 March 2022. This has resulted in an increase in expenditure of £81,028 and an increase in creditors of £81,028 as at 31 March 2022. As a result the funds have decreased by £81,028, as at 31 March 2022.

---

# Accounts

---

**THE ESTATE CHARITY OF WILLIAM HATCLIFFE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## LEGAL AND ADMINISTRATIVE INFORMATION

---

|                       |                               |                               |
|-----------------------|-------------------------------|-------------------------------|
| Trustees              | Mr A C Blundy (Chair)         |                               |
|                       | Mr G Kirby (Vice chair)       |                               |
|                       | Mr R Hough (Vice Chair)       |                               |
|                       | Reverend S Hall               |                               |
|                       | Mrs W Kirkman                 |                               |
|                       | Mr J Watson                   |                               |
|                       | Reverend T Goode              |                               |
|                       | Ms H McIntosh                 |                               |
|                       | Ms C Melville                 |                               |
|                       | Reverend S Winn               | (Appointed 14 June 2021)      |
| Clerk to the Trustees | Councillor P Slattery         | (Appointed 7 September 2021)  |
|                       | Mr R Clough                   | (Appointed 14 September 2021) |
|                       |                               |                               |
|                       |                               |                               |
| Charity number        | 227720                        |                               |
| Principal address     | St. Margaret's Visitor Centre |                               |
|                       | Brandram Road                 |                               |
|                       | Lewisham                      |                               |
|                       | London                        |                               |
|                       | SE13 5EA                      |                               |
|                       |                               |                               |
| Auditor               | HW Fisher LLP                 |                               |
|                       | Acre House                    |                               |
|                       | 11-15 William Road            |                               |
|                       | London                        |                               |
|                       | NW1 3ER                       |                               |
|                       | United Kingdom                |                               |
|                       |                               |                               |
| Bankers               | The Co-operative Bank         |                               |
|                       | 88 Cornhill                   |                               |
|                       | London                        |                               |
|                       | EC3V 3NJ                      |                               |
|                       |                               |                               |
|                       | CAF Bank Limited              |                               |
|                       | 25 Kings Hill Avenue          |                               |
|                       | Kings Hill                    |                               |
|                       | West Malling                  |                               |
|                       | Kent                          |                               |
|                       | ME19 4JQ                      |                               |
|                       |                               |                               |
|                       | Handelsbanken                 |                               |
|                       | 1 Cresswell Park              |                               |
|                       | Blackheath                    |                               |
|                       | London                        |                               |
|                       | SE3 9RD                       |                               |

---

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## LEGAL AND ADMINISTRATIVE INFORMATION

---

### **Solicitors**

Grant Saw Solicitors LLP  
Wood Wharf Building  
Horseferry Place  
London  
SE10 9BB

Thackray Williams LLP Solicitors  
32 - 40 Widmore Road  
Bromley  
Kent  
BR1 1RY

### **Property managers**

Daniel Watney  
165 Fleet Street  
London  
EC4A 2DW

---

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## CONTENTS

---

|                                         | Page    |
|-----------------------------------------|---------|
| Trustees' report                        | 1 - 5   |
| Statement of Trustees' responsibilities | 6       |
| Independent auditor's report            | 7 - 9   |
| Statement of financial activities       | 10 - 11 |
| Balance sheet                           | 12      |
| Statement of cash flows                 | 13      |
| Notes to the financial statements       | 14 - 24 |

---

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 MARCH 2022

---

The Trustees present their report and financial statements for the year ended 31 March 2022.

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 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 objects are :

Subject to :

- defraying of costs of repairs, insurance and outgoings payable in respect of the property of the Charity,
- paying all the proper costs, charges and expenses of, and incidental to, the administration and management of the Charity out of income - which may include establishing and maintaining a fund for capital expenditure on the properties,
- the net yearly income of the Charity shall be paid:-
  - One half to the Trustees of the Greenwich Charity of William Hatcliffe
  - One fourth to the Trustees of the Lee Charity of William Hatcliffe
  - One fourth to the Trustees of the Lewisham Charity of William Hatcliffe

Trustees continue to seek market rents on all commercial and residential properties and exploit opportunities to improve rental returns. When vacancies occur properties are inspected and, where necessary, a programme of work is implemented to protect the Trustees' long term interest in the premises. Trustees ensure that additional capital invested generates the appropriate return and that the environment in which the Trustees' property investments is situated is preserved and enhanced.

Works to maintain the overall "streetscape" are also undertaken as part of the preservation and enhancement of the properties and their environment.

There has not been any significant change in the trustee's strategy during the current year.

The Trustees have complied with their duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

Trustees rely upon the Beneficiary Charities to discharge the charitable requirements of William Hatcliffe for the public benefit as defined in the individual Trust Deeds. To aid this Trustees' responsibility is the effective management of the property portfolio and the generation of income.

#### Achievements and performance

The distributions to the three Beneficiary Charities totalled £500,000 (2021: £500,000). As the income benefit of the capital investment programme is being seen, Trustees now consider that the sum of £300,000 should be the minimum assured to the Beneficiary Charities each year. At their meeting in March each year Trustees decide the total available for distribution.

The Trustees consider themselves custodians, for the time being, of the assets of The Estate Charity of William Hatcliffe. As its name suggests, the Trust is responsible for, and derives its revenue from, the properties with which it was endowed in the Nineteenth Century.

Trustees residential properties comprises 22 flats above their commercial properties in Woolwich Road and 109 units in a block of houses and flats on Tuskar Street, Frobisher Street and Woodlands Park Road in the Royal Borough of Greenwich in South East London. The majority of these properties are let on Assured Shorthold Tenancies but 22 properties are subject to statutory tenancies limiting rental returns.

At their meeting in October 2015 Trustees decided that the type of accommodation provided by the Trust properties benefited from a high level of demand. They agreed with the recommendation of the Managing Agent that as they fall vacant refurbishment to a high standard should be undertaken. Trustees continue to believe that the capital cost is justified by the enhanced rental income that should be achieved, but will continue to carefully monitor cash flow and cost of borrowing to maintain a balance.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

All residential and commercial properties are managed by Daniel Watney LLP.

The Charity's office was re-opened in June 2021 following a period of home working during the pandemic. This enabled a period of handover during the summer between the retiring Clerk and his successor.

This year marks the 400<sup>th</sup> anniversary of the creation of the William Hatcliffe charities and we will be marking this with a booklet "William Hatcliffe A History – 400 Years of Philanthropy 1622- 2022" and with an event in September.

#### Financial review

Income before grants, and donations for the year amounted to £1,927,772 (2021: £1,960,355 as restated). Expenditure was £1,457,512 (2021: £1,623,044 as restated). This includes management fees. Total reserves at the year-end amount to £64,761,776 (2021: £61,692,524 as restated).

The market has largely recovered from the pandemic and this has enabled the trustees to continue their improvements to the overall estate and to provide an assured base to fund major projects and ensure that the Beneficiary Trusts can anticipate the continuation of the current level of distributions.

Estate income has begun to grow again at about 4 per cent on a like for like basis. This reflects a recovery to pre-pandemic levels and the positive lettings market. In addition it has proved possible to negotiate increases in rents upon renewal of around 5 per cent.

An ongoing programme of Cyclical External Decoration & Repair works, including replacement windows, has continued to improve the energy performance rating of the related properties. An EPC Audit was carried out in March 2022 to identify potential improvements in EPC rating for all the residential properties and estimated cost of improvement. The Managing agent recommends a balanced assessment of the potential for each unit, adopting sensible upgrades as far as possible in the coming years as the best approach.

A Bank loan of £800k was raised to cover the development works on 79-81 Tuskar street, which was largely complete by the end of the financial year. The three resulting properties have subsequently been relet at a significantly increased rent. (Combined - £99,500 per year).

Four properties required remedial works as a result of flooding in the summer of 2021. The cost of this (and loss of rent) is being met through insurance. As a result of this and a new reinstatement valuation there has been a significant increase in insurance premium. In addition the portfolio has also been designated as being in a flood risk area and this together with the claims, has meant the basement units are now effectively self-insured for flood. To mitigate this risk, the trustees have decided to set aside a regular amount into a Flood Damage and Prevention Fund and also to seek additional or alternative insurance at renewal.

The Trust has had to fund significant legal costs in respect of two matters - the relocation of a Protected tenant into alternative accommodation and the renewal of a commercial lease. Trustees are always mindful of their responsibility to manage the resources of the Trust wisely and prudently. We only engage specialist professional advisors when necessary to protect the interests of the Trust.

Trustees will need to have recourse to borrowings for the major building developments approved for completion over the next three years. As the final budget cost of the development of 47-53 Woolwich Road, Greenwich (the Island Site) becomes apparent Trustees will seek to negotiate the necessary loan from Handelsbanken to complete the project.

The bank will be offered appropriate security for its loan as already evidenced by the Legal Charge over Avenor House that is in place. Trustees will carefully monitor their cash flow during the term of the loan. They confidently expect the rental income from the residential and commercial units on the redeveloped Island Site will enable them to repay all borrowing in less than ten years. This should be achieved without detriment to their other activities and the level of distributions to the Beneficiary Charities.

Acting on behalf of Trustees, Daniel Watney LLP has had pre-planning discussions with officers of the Royal Borough of Greenwich. Full planning permission was sought in spring 2022 for the Island Site, but is still pending.

**Reserves** - The Charity has Net assets of £64,761,776 of which £65,137,000 represents the Permanent Endowment Fund which is the value of the property portfolio. There is £78,868 in the Designated fund for property maintenance. This leaves the charity overall with negative Unrestricted funds of £454,092.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

The Fund structure has recently been reviewed by the Charity Commission who have confirmed that the Property portfolio should be classified as Permanent Endowment. It has been classified as unrestricted for many years.

This has resulted in the charity being left with a negative unrestricted fund. Trustees will be considering our reserve policy and fund structure going forward.

**Permanent Endowment Fund** - On advice taken from the Charity Commission, the Charity has reclassified investment property from the unrestricted fund to a permanent endowment fund. It was the Charity Commission's view that the property funds in question are permanent endowment; supported by the management of the funds to date, professional advice sought by the trustees and authorisation historically of a recoupment order. Given this, the correct representation within the accounts for this is a permanent endowment fund.

The delay in the completion of the audit and the filing of this Annual Report and Accounts was caused by the need to obtain the above specialist legal advice and guidance from the Charity Commission on the status of the Trust's property portfolio. The delay was not caused by any lack of co-operation on the part of the Trustees of the Estate Charity of William Hatcliffe.

#### **Risk assessment**

Trustees have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks which are as follows:

- Damage to trust assets - The entire property portfolio is insured for damage and loss of rent.
- Flood risk – Set aside a Flood Damage and Prevention Fund and seek additional or alternative insurance at renewal.
- Risk that the portfolio will not meet the new minimum EPC rating by the deadline – there is a schedule of works to upgrade properties to at least the minimum rating.
- Loss of Computer records – all records backed up offline.
- Loss of physical papers – papers are in locked cabinets and access to the office is limited to known key holders. Older papers archived
- Financial Control - All bank accounts are operated to their authorised signatory mandates.

Trustees review the Risk assessment at least annually.

#### **Structure, governance and management**

The Charity is governed by a Charity Commission Scheme dated 12 November 1897.

The Charity's Scheme stipulates that the Trustees of The Estate Charity of William Hatcliffe shall, when complete, consist of 16 competent persons being:

Three Ex-officio Trustees.

Thirteen Representative Trustees.

The incumbents for the time being of the ancient parishes of Greenwich, Lee and Lewisham, being Trustees under the above mentioned Scheme of 12 November 1897, shall be the Ex-officio Trustees of the said Charity.

The Representative Trustees shall be appointed as follows:

7 by the Trustees of the Greenwich Charity of William Hatcliffe out of their number.

3 by the Trustees of the Lee Charity of William Hatcliffe out of their number.

3 by the Trustees of the Lewisham Charity of William Hatcliffe out of their number.

Nominees are required to confirm acceptance of appointment as a Trustee and their willingness to act in the interest of the Charity. Each appointment is made for the term of four years.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

The Trustees who served during the year and up to date of signature of the financial statements are:

|                         |                                                            |
|-------------------------|------------------------------------------------------------|
| Mr A C Blundy (Chair)   |                                                            |
| Mr G Kirby (Vice chair) |                                                            |
| Mr R Hough (Vice-chair) |                                                            |
| Mr G A Coulson          | (Resigned 14th March 2022)                                 |
| Reverend S Hall         |                                                            |
| Mr A Austin             | (Resigned 1 June 2022)                                     |
| Mrs W Kirkman           |                                                            |
| Mr J Watson             |                                                            |
| Reverend T Goode        |                                                            |
| Ms H McIntosh           |                                                            |
| Ms C Melville           |                                                            |
| Reverend S Winn         | (Appointed 14th June 2021)                                 |
| Councillor P Slattery   | (Appointed 7th September 2021)                             |
| Mr C Jeal               | (Appointed 14th September 2021 and deceased 11th May 2022) |
| Mr R Clough             | (Appointed 14th September 2021)                            |

Two vacancies for representatives of the Lee charity were filled in September 2021, by Mr C Jeal (who retired as clerk) and Mr R Clough. One vacancy for a representative of the Greenwich Charity was filled in September 2021 by Councillor Pat Slattery. Mr G A Coulson retired as a trustee representative of the Lewisham Charity in March 2022 creating a vacancy. Mr Anthony Austin retired as a trustee representative of the Greenwich Charity in June 2022, creating a vacancy. Mr C Jeal died in May 2022, creating a vacancy as a trustee representative of the Lee Charity

New Trustees are provided with a copy of the 1897 Scheme, the latest financial statements, relevant reports and copies of the Minutes of recent Trustees meetings. Apart from the three Ex-officio Trustees, who are the incumbents of the parishes in which the Beneficiary Charities are situated, all Trustees are nominated by those charities on the basis of their experience and knowledge relevant to a Trust primarily funded by its property portfolio.

The Trustees include in their number professionals of different disciplines as well as lay people with commercial and social experience.

Trustees are encouraged to acquaint themselves with the varied physical and geographical nature of the property portfolio. This is to enable them to make informed and prudent decisions based on the recommendations put to them by appropriately qualified professionals consulted by the Trust.

Trustees are made aware of their duties and responsibilities, expected to state their views at meetings and to question the professional advisers who attend Trustees meetings. Trustees rely upon the advice of the Clerk for the efficient conduct of the Trust's affairs. The Trustees generally meet twice each year in March and October. There is a provision in the Trust Deed to summon Special Meetings.

If the Chair or any Trustee considers it necessary the Clerk is requested to arrange additional meetings of any group of representative Trustees to consider and report on issues referred to them.

The Clerk is responsible for the preparation and dispatch of the meeting notices and agenda with supporting papers. At their meetings, the Trustees:

- Receive reports from the Clerk on the administration of the Charity and on the recommendations of any working group of representative Trustees.
- Receive from the Chair his commentary on the affairs of the Charity.
- Review the written report from the Managing Agent. The report also provides updates on any specific issues. Representative(s) of the Managing Agent also attend the meetings to provide additional information and respond to any questions from the Trustees.
- Decide on policy and provide instructions on issues raised. Where appropriate they may authorise the Chair, in consultation with the Clerk, to implement decisions taken.

The Clerk is responsible for the day-to-day administration of the Charity reporting to the Chair and Vice-Chairs. The Clerk will invite instructions where appropriate.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

The Charity acknowledges a relationship with:

- the Greenwich Charity of William Hatcliffe and the Misses Smith
- the Lee Charity of William Hatcliffe
- the Lewisham Almshouse Charity of William Hatcliffe and Abraham Colfe.

A summary of grants paid to the Beneficiary Charities is set out in note 6 to the financial statements.

#### Plans for the future

The Trustees continue to accept the advice of the Managing Agent that the demand for rental accommodation would continue. As a result the Hatcliffe Village (as a generic name the Trustees like to use for their properties in Frobisher Street, Tuskar Street and Woodlands Park Road) continues to be strongly placed to take advantage for the following reasons:

- The homogenous nature of the properties offers the opportunity for an overall 'style'.
- The area has virtually no through traffic and excellent public transport links.
- The age and varied nature of accommodation differentiates the Hatcliffe Village from current developments in Greenwich and its environs and offers a marketing opportunity.
- The Trust as a single landlord to a close-knit estate can achieve a consistency of approach.
- For the same reason it can secure economies of scale when work needs to be carried out on more than one unit.
- There is scope for utilising (over time) various parcels of land within the estate to create additional residential units.

The above features continue to be evident in newly refurbished or extended properties. The rental obtained on such properties, and their swift letting, has given Trustees confidence in implementing their plans for new developments and refurbishments.

Refurbishments are carried out for the following reasons:

- To comply with the Trust's legal obligations
- To improve the energy efficiency of the properties, which is becoming a significant factor for prospective tenants
- To ensure the properties have a continued life of 50 to 100 years
- On the advice of the Managing Agent, to enhance the letting value of the properties

The Trustees plan to redevelop 47-53 Woolwich Road. The plan is for nine residential units of various sizes and commercial space on the ground floor. This would mean that the development would be in line with the proven successful rebuilding of Sumner House and Avenor House.

As their strategy develops Trustees will continue to discharge their responsibilities to the three Beneficiary Charities.

#### Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Furthermore Trustees have confirmed that there are no conflicts of interest in fulfilling their role as Trustee.

The Trustees' report was approved by the Board of Trustees.

*Andrew Blundy*

Mr A C Blundy (Chair)

Trustee 23 Jun 2023

Dated: .....

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### ***FOR THE YEAR ENDED 31 MARCH 2022***

---

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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 operation.

The Trustees are responsible for keeping sufficient 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 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.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF THE ESTATE CHARITY OF WILLIAM HATCLIFFE

---

#### Opinion

We have audited the financial statements of The Estate Charity of William Hatcliffe (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 March 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Matters on which we are required to report by exception

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

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

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE ESTATE CHARITY OF WILLIAM HATCLIFFE

---

#### **Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities, 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 cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: the Charity SORP, FRS 102 and Charities Act 2011.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to investment properties.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the validity of the classification of income, expenditure, assets and liabilities between unrestricted, designated and restricted funds.
- Obtaining third-party confirmation of material bank balances.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as the charity board minutes for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

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

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE ESTATE CHARITY OF WILLIAM HATCLIFFE

---

#### 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.

*HW Fisher LLP*  
**HW Fisher LLP**

Chartered Accountants  
Statutory Auditor  
Acre House  
11-15 William Road  
London  
NW1 3ER  
United Kingdom  
23 Jun 2023  
.....

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

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2022

### Current financial year

|                                                |         | Unrestricted<br>funds<br>general<br>2022 | Unrestricted<br>funds<br>designated<br>2022 | Endowment<br>funds<br>2022 | Total<br>2022 | Total<br>2021<br>(Restated) |
|------------------------------------------------|---------|------------------------------------------|---------------------------------------------|----------------------------|---------------|-----------------------------|
|                                                | Notes   | £                                        | £                                           | £                          | £             | £                           |
| <b>Income from:</b>                            |         |                                          |                                             |                            |               |                             |
| Rental and other investment income             | 3       | 1,927,772                                | -                                           | -                          | 1,927,772     | 1,960,355                   |
| <b>Expenditure on:</b>                         |         |                                          |                                             |                            |               |                             |
| Raising funds                                  | 4       | 907,569                                  | -                                           | -                          | 907,569       | 1,089,650                   |
| <b>Charitable activities</b>                   |         |                                          |                                             |                            |               |                             |
| Grants and donations                           | 5       | 549,943                                  | -                                           | -                          | 549,943       | 533,394                     |
| <b>Total charitable expenditure</b>            |         | 549,943                                  | -                                           | -                          | 549,943       | 533,394                     |
| <b>Total resources expended</b>                |         | 1,457,512                                | -                                           | -                          | 1,457,512     | 1,623,044                   |
| <b>Net gains on investments</b>                | 10      | -                                        | -                                           | 2,598,992                  | 2,598,992     | 841,392                     |
| <b>Net incoming resources before transfers</b> |         | 470,260                                  | -                                           | 2,598,992                  | 3,069,252     | 1,178,703                   |
| <b>Gross transfers between funds</b>           | 15 & 16 | (943,008)                                | -                                           | 943,008                    | -             | -                           |
| <b>Net movement in funds</b>                   |         | (472,748)                                | -                                           | 3,542,000                  | 3,069,252     | 1,178,703                   |
| <b>Fund balances at 1 April 2021</b>           |         |                                          |                                             |                            |               |                             |
| As originally reported                         |         | 61,595,000                               | 60,102                                      | -                          | 61,655,102    | 60,481,231                  |
| Prior year adjustment                          | 22      | (61,576,344)                             | 18,766                                      | 61,595,000                 | 37,422        | 32,590                      |
| As restated                                    |         | 18,656                                   | 78,868                                      | 61,595,000                 | 61,692,524    | 60,513,821                  |
| <b>Fund balances at 31 March 2022</b>          |         | (454,092)                                | 78,868                                      | 65,137,000                 | 64,761,776    | 61,692,524                  |

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

All income and expenditure derive from continuing activities.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### Prior financial year

|                                                | Notes   | Unrestricted funds<br>general<br>2021<br>(Restated)<br>£ | Unrestricted funds<br>designated<br>2021<br>(Restated)<br>£ | Endowment funds<br>2021<br>(Restated)<br>£ | Total<br>2021<br>(Restated)<br>£ |
|------------------------------------------------|---------|----------------------------------------------------------|-------------------------------------------------------------|--------------------------------------------|----------------------------------|
| <b>Income from:</b>                            |         |                                                          |                                                             |                                            |                                  |
| Rental and other investment income             | 3       | 1,960,355                                                | -                                                           | -                                          | 1,960,355                        |
| <b>Expenditure on:</b>                         |         |                                                          |                                                             |                                            |                                  |
| Raising funds                                  | 4       | 546,059                                                  | 543,591                                                     | -                                          | 1,089,650                        |
| <b>Charitable activities</b>                   |         |                                                          |                                                             |                                            |                                  |
| Grants and donations                           | 5       | 533,394                                                  | -                                                           | -                                          | 533,394                          |
| <b>Total charitable expenditure</b>            |         | 533,394                                                  | -                                                           | -                                          | 533,394                          |
| <b>Total resources expended</b>                |         | 1,079,453                                                | 543,591                                                     | -                                          | 1,623,044                        |
| <b>Net gains on investments</b>                | 10      | -                                                        | -                                                           | 841,392                                    | 841,392                          |
| <b>Net incoming resources before transfers</b> |         | 880,902                                                  | (543,591)                                                   | 841,392                                    | 1,178,703                        |
| Gross transfers between funds                  | 15 & 16 | (863,156)                                                | 622,459                                                     | 240,697                                    | -                                |
| <b>Net movement in funds</b>                   |         | 17,746                                                   | 78,868                                                      | 1,082,089                                  | 1,178,703                        |
| <b>Fund balances at 1 April 2020</b>           |         |                                                          |                                                             |                                            |                                  |
| As originally reported                         |         | 60,481,231                                               | -                                                           | -                                          | 60,481,231                       |
| Prior year adjustment                          | 23      | (60,480,321)                                             | -                                                           | 60,512,911                                 | 32,590                           |
| As restated                                    |         | 910                                                      | -                                                           | 60,512,911                                 | 60,513,821                       |
| <b>Fund balances at 31 March 2021</b>          |         | 18,656                                                   | 78,868                                                      | 61,595,000                                 | 61,692,524                       |

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

All income and expenditure derive from continuing activities.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## BALANCE SHEET

AS AT 31 MARCH 2022

|                                                                | Notes | 2022<br>£        | £                 | 2021<br>£<br>(Restated) | £                 |
|----------------------------------------------------------------|-------|------------------|-------------------|-------------------------|-------------------|
| <b>Fixed assets</b>                                            |       |                  |                   |                         |                   |
| Investment properties                                          | 11    |                  | 65,137,000        |                         | 61,595,000        |
| <b>Current assets</b>                                          |       |                  |                   |                         |                   |
| Debtors                                                        | 12    | 60,862           |                   | 88,249                  |                   |
| Cash at bank and in hand                                       |       | 506,811          |                   | 197,142                 |                   |
|                                                                |       | <u>567,673</u>   |                   | <u>285,391</u>          |                   |
| <b>Creditors: amounts falling due within one year</b>          | 13    | <u>(150,897)</u> |                   | <u>(187,867)</u>        |                   |
| Net current assets                                             |       |                  | 416,776           |                         | 97,524            |
| <b>Total assets less current liabilities</b>                   |       |                  | 65,553,776        |                         | 61,692,524        |
| <b>Creditors: amounts falling due after more than one year</b> | 14    |                  | (792,000)         |                         | -                 |
| <b>Net assets</b>                                              |       |                  | <u>64,761,776</u> |                         | <u>61,692,524</u> |
| <b>Capital funds</b>                                           |       |                  |                   |                         |                   |
| Endowment funds                                                | 15    |                  | 65,137,000        |                         | 61,595,000        |
| <b>Income funds</b>                                            |       |                  |                   |                         |                   |
| <u>Unrestricted funds</u>                                      |       |                  |                   |                         |                   |
| Designated funds                                               | 16    | 78,868           |                   | 78,868                  |                   |
| General unrestricted funds                                     |       | <u>(454,092)</u> |                   | <u>18,656</u>           |                   |
|                                                                |       |                  | (375,224)         |                         | 97,524            |
|                                                                |       |                  | <u>64,761,776</u> |                         | <u>61,692,524</u> |

23 Jun 2023

The financial statements were approved by the Trustees on .....

*Andrew Blundy*  
.....  
Mr A C Blundy (Chair)  
Trustee

*Gary Kirby*  
.....  
Mr G Kirby (Vice chair)  
Trustee

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 MARCH 2022**

|                                                               | Notes | 2022<br>£ | £         | 2021<br>£<br>(Restated) | £         |
|---------------------------------------------------------------|-------|-----------|-----------|-------------------------|-----------|
| <b>Cash flows from operating activities</b>                   |       |           |           |                         |           |
| Cash generated from/(absorbed by) operations                  | 20    |           | 460,677   |                         | (62,885)  |
| <b>Investing activities</b>                                   |       |           |           |                         |           |
| Capital expenditure on property                               |       | (943,008) |           | (240,697)               |           |
| <b>Net cash used in investing activities</b>                  |       |           | (943,008) |                         | (240,697) |
| <b>Financing activities</b>                                   |       |           |           |                         |           |
| Proceeds of new bank loans                                    |       | 792,000   |           | -                       |           |
| <b>Net cash generated from/(used in) financing activities</b> |       |           | 792,000   |                         | -         |
| <b>Net increase/(decrease) in cash and cash equivalents</b>   |       |           | 309,669   |                         | (303,582) |
| Cash and cash equivalents at beginning of year                |       |           | 197,142   |                         | 500,724   |
| <b>Cash and cash equivalents at end of year</b>               |       |           | 506,811   |                         | 197,142   |

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### 1 Accounting policies

##### Company information

The Estate Charity of William Hatcliffe is a registered charity. The principal address is St. Margaret's Visitor Centre, Brandram Road, Lewisham, London, SE13 5EA. Details of Trustees are mentioned on page 1.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's charitable 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)". 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, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

##### 1.2 Prior period adjustment

Where necessary, comparative figures have been adjusted to reflect the correct treatment of property agent's activity as well as the reclassification of funds. See note 22 for further detail.

##### 1.3 Going concern

As described in the Trustees' Report, the market has largely recovered from the pandemic. Estate income has begun to grow again at about 4 per cent on a like for like basis. In addition, it has proved possible to negotiate increases in rents upon renewal of around 5 per cent. Despite the cost-of-living crisis, the trustees are confident that the incidence of default or bad debts among the private or commercial tenants will remain manageable.

Based on their financial projections, the Trustees are confident that the established programme for the update of the entire property portfolio, which is a part of their long-term development plans, can be maintained. The Trustees believe that the future outlook remains positive for the Estate Charity and the ability to maintain distributions to the Beneficiary Charities.

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

##### 1.4 Charitable funds

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

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Endowment funds represent assets which must be held permanently by the Charity. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

##### 1.5 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.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### 1 Accounting policies

(Continued)

##### 1.6 Resources expended

Fundraising costs comprise the costs incurred in maintaining and managing the investment properties. Support and governance costs are those which do not directly relate to charitable activities, and include the costs of audit and statutory compliance. Support and governance costs are directly attributed to charitable activities.

Grants are recognised and recorded in the financial statements at full cost at the time the funds are committed and communicated to the beneficiaries by the Board of Trustees.

##### 1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the statement of financial activities.

##### 1.8 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### *Basic financial assets*

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

##### *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 receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

##### *Derecognition of financial liabilities*

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

##### 1.9 Grants payable

Grants are brought into the Statement of Financial Activities on an accruals basis.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 2 Critical accounting estimates and judgements

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

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

There were no critical judgements made for the year.

The valuation of the investment properties is the only critical accounting estimate in the financial statements. The property portfolio has been valued by an independent third party based on market evidence.

#### 3 Rental and other investment income

|                        | Unrestricted<br>funds<br>general<br>2022<br>£ | Unrestricted<br>funds<br>general<br>2021<br>£<br>(Restated) |
|------------------------|-----------------------------------------------|-------------------------------------------------------------|
| Property rental income | 1,911,498                                     | 1,960,110                                                   |
| Other income           | 15,022                                        | -                                                           |
| Interest receivable    | 1,252                                         | 245                                                         |
|                        | <u>1,927,772</u>                              | <u>1,960,355</u>                                            |

#### 4 Raising funds

|                                                                              | Unrestricted<br>funds<br>general<br>2022<br>£ | Unrestricted<br>funds<br>general<br>2021<br>£ | Unrestricted<br>funds<br>designated<br>2021<br>£<br>(Restated) | Total<br>2021<br>£<br>(Restated) |
|------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|----------------------------------------------------------------|----------------------------------|
| <u>Repairs, management fees and other costs of the investment properties</u> |                                               |                                               |                                                                |                                  |
| Major refurbishments                                                         | 336,347                                       | -                                             | 543,591                                                        | 543,591                          |
| Utilities                                                                    | 37,505                                        | 22,048                                        | -                                                              | 22,048                           |
| Legal and professional                                                       | 177,804                                       | 183,398                                       | -                                                              | 183,398                          |
| Other fundraising costs                                                      | 2,113                                         | 9,180                                         | -                                                              | 9,180                            |
|                                                                              | <u>553,769</u>                                | <u>214,626</u>                                | <u>543,591</u>                                                 | <u>758,217</u>                   |
| <u>Investment management</u>                                                 | <u>353,800</u>                                | <u>331,433</u>                                | <u>-</u>                                                       | <u>331,433</u>                   |
|                                                                              | <u>907,569</u>                                | <u>546,059</u>                                | <u>543,591</u>                                                 | <u>1,089,650</u>                 |

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 5 Charitable activities

|                                          | Grants and<br>donations<br>2022<br>£ | Grants and<br>donations<br>2021<br>£ |
|------------------------------------------|--------------------------------------|--------------------------------------|
| Grant funding of activities (see note 6) | 500,000                              | 500,000                              |
| Share of support costs (see note 7)      | 27,044                               | 20,006                               |
| Share of governance costs (see note 7)   | 22,899                               | 13,388                               |
|                                          | <u>549,943</u>                       | <u>533,394</u>                       |

#### 6 Grants payable

|                                                             | Grants and<br>donations<br>2022<br>£ | Grants and<br>donations<br>2021<br>£ |
|-------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Grants to institutions:                                     |                                      |                                      |
| Greenwich Charity of William Hatcliffe and the Misses Smith | 250,000                              | 250,000                              |
| Lee Charity of William Hatcliffe                            | 125,000                              | 125,000                              |
| Lewisham Almshouse Charities                                | 125,000                              | 125,000                              |
|                                                             | <u>500,000</u>                       | <u>500,000</u>                       |

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 7 Support costs

|                              | Support costs | Governance costs | 2022          | Support costs | Governance costs | 2021          |
|------------------------------|---------------|------------------|---------------|---------------|------------------|---------------|
|                              | £             | £                | £             | £             | £                | £             |
| Accountancy                  | -             | -                | -             | 2,100         | -                | 2,100         |
| Rent and bank charges        | 9,728         | -                | 9,728         | 6,926         | -                | 6,926         |
| Clerks fees                  | 13,950        | -                | 13,950        | 10,980        | -                | 10,980        |
| Loan interest                | 3,366         | -                | 3,366         | -             | -                | -             |
| Audit fees                   | -             | 17,500           | 17,500        | -             | 12,000           | 12,000        |
| Trustees indemnity insurance | -             | 1,350            | 1,350         | -             | 1,288            | 1,288         |
| Arrangement fees             | -             | 3,000            | 3,000         | -             | -                | -             |
| Trustees expenses            | -             | 1,049            | 1,049         | -             | 100              | 100           |
|                              | <u>27,044</u> | <u>22,899</u>    | <u>49,943</u> | <u>20,006</u> | <u>13,388</u>    | <u>33,394</u> |
| Analysed between             |               |                  |               |               |                  |               |
| Charitable activities        | <u>27,044</u> | <u>22,899</u>    | <u>49,943</u> | <u>20,006</u> | <u>13,388</u>    | <u>33,394</u> |

Governance costs includes payments to the auditors of £17,500 (2021: £12,000) for audit fees.

#### 8 Trustees

None of the Trustees (including any persons connected with them) received remuneration or benefits from the charity during the year.

2 trustees (2021: 2) were reimbursed for expenses in relation to postage and document certification and meetings during the year, of £1,049 (2021: £100).

#### 9 Employees

The average monthly number of employees during the year was: nil (2021: nil).

#### 10 Net gains/(losses) on investments

|                                      | Endowment funds  | Endowment funds |
|--------------------------------------|------------------|-----------------|
|                                      | 2022             | 2021            |
|                                      | £                | £               |
| Revaluation of investment properties | <u>2,598,992</u> | <u>841,392</u>  |

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 11 Investment property

|                                                    | 2022<br>£         |
|----------------------------------------------------|-------------------|
| <b>Fair value</b>                                  |                   |
| At 1 April 2021                                    | 61,595,000        |
| Capital expenditure on property                    | 943,008           |
| Net gains or losses through fair value adjustments | 2,598,992         |
|                                                    | <u>65,137,000</u> |
| At 31 March 2022                                   | <u>65,137,000</u> |

Investment property comprises a mixture of both residential and commercial units. The fair value of the investment property has been arrived at on the basis of valuations carried out at 31 March 2022 by Daniel Watney LLP, Chartered Surveyors, who are not connected with the charity. The valuations were made on an open market value basis by reference to market evidence of transaction prices for similar properties.

#### 12 Debtors

|                                             | 2022<br>£     | 2021<br>£<br>(Restated) |
|---------------------------------------------|---------------|-------------------------|
| <b>Amounts falling due within one year:</b> |               |                         |
| Other debtors                               | 8,287         | 13,807                  |
| Prepayments and accrued income              | 52,575        | 74,442                  |
|                                             | <u>60,862</u> | <u>88,249</u>           |

#### 13 Creditors: amounts falling due within one year

|                              | 2022<br>£      | 2021<br>£<br>(Restated) |
|------------------------------|----------------|-------------------------|
| Other creditors              | 10,975         | 10,975                  |
| Accruals and deferred income | 139,922        | 176,892                 |
|                              | <u>150,897</u> | <u>187,867</u>          |

#### 14 Creditors: amounts falling due after more than one year

|              | 2022<br>£ | 2021<br>£ |
|--------------|-----------|-----------|
| <b>Notes</b> |           |           |
| Bank loans   | 792,000   | -         |

In respect of the two 'Property Investment Loans' of £400,000 each, both of these have a fixed 'First Priority Legal Charge' over the office and commercial buildings at Avener House held under title deed TGL304152. The outstanding amount incorporates an £8,000 arrangement fee.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 15 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

|                             | Movement in funds         |                |                          |                         |                |                          |
|-----------------------------|---------------------------|----------------|--------------------------|-------------------------|----------------|--------------------------|
|                             | Balance at 1st April 2020 | Transfers      | Investments gains/losses | Balance at 1 April 2021 | Transfers      | Investments gains/losses |
|                             | As restated               | As restated    | As restated              | As restated             |                |                          |
|                             | £                         | £              | £                        | £                       | £              | £                        |
| <b>Permanent endowments</b> |                           |                |                          |                         |                |                          |
| Endowment fund              | 60,512,911                | 240,697        | 841,392                  | 61,595,000              | 943,008        | 2,598,992                |
|                             | <u>60,512,911</u>         | <u>240,697</u> | <u>841,392</u>           | <u>61,595,000</u>       | <u>943,008</u> | <u>2,598,992</u>         |

On advice taken from the Charity Commission, the Charity has reclassified investment property from the unrestricted fund to a permanent endowment fund. It was the Charity Commission's view that the property funds in question are permanent endowment; supported by the management of the funds to date, professional advice sought by the trustees and authorisation historically of a recoupment order. Given this, the correct representation within the accounts for this is a permanent endowment fund.

The transfer from the unrestricted funds represents the additions to the investment property.

#### 16 Designated funds

The income funds of the Charity include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific purposes:

|                           | Movement in funds       |                                  |                         |                                       |                                  |                          |
|---------------------------|-------------------------|----------------------------------|-------------------------|---------------------------------------|----------------------------------|--------------------------|
|                           | Balance at 1 April 2020 | Resources expended (as restated) | Transfers (as restated) | Balance at 1 April 2021 (as restated) | Incoming resources (as restated) | Balance at 31 March 2022 |
|                           | £                       | £                                | £                       | £                                     | £                                | £                        |
|                           |                         |                                  |                         |                                       |                                  |                          |
| Property Development Fund | -                       | (543,591)                        | 622,459                 | 78,868                                | -                                | 78,868                   |
|                           | <u>-</u>                | <u>(543,591)</u>                 | <u>622,459</u>          | <u>78,868</u>                         | <u>-</u>                         | <u>78,868</u>            |

The designated fund has been established by the Trustees and authorised by the Charity Commission on 4 January 2008 in order to provide for the repair, improvement and rebuilding of investment properties. The transfer relates to the net surplus generated which has been designated to the Property Development Fund in preparation to meet the significant programme of refurbishments and extensions to the residential portfolio.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

| 17 | Analysis of net assets between funds               | Unrestricted funds |   | Designated funds |   | Endowment funds |   | Total      |   | Unrestricted funds |   | Designated funds |   | Endowment funds |   | Total      |   |
|----|----------------------------------------------------|--------------------|---|------------------|---|-----------------|---|------------|---|--------------------|---|------------------|---|-----------------|---|------------|---|
|    |                                                    | 2022               | £ | 2022             | £ | 2022            | £ | 2022       | £ | 2021               | £ | 2021             | £ | 2021            | £ | 2021       | £ |
|    | Fund balances at 31 March 2022 are represented by: |                    |   |                  |   |                 |   |            |   |                    |   |                  |   |                 |   |            |   |
|    | Investment properties                              | -                  |   | -                |   | 65,137,000      |   | 65,137,000 |   | -                  |   | -                |   | 61,595,000      |   | 61,595,000 |   |
|    | Current assets/(liabilities)                       | 337,908            |   | 78,868           |   | -               |   | 416,776    |   | 18,656             |   | 78,868           |   | -               |   | 97,524     |   |
|    | Long term liabilities                              | (792,000)          |   | -                |   | -               |   | (792,000)  |   | -                  |   | -                |   | -               |   | -          |   |
|    |                                                    | (454,092)          |   | 78,868           |   | 65,137,000      |   | 64,761,776 |   | 18,656             |   | 78,868           |   | 61,595,000      |   | 61,692,524 |   |
|    |                                                    |                    |   |                  |   |                 |   |            |   |                    |   |                  |   |                 |   |            |   |

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 18 Operating lease commitments

##### Lessor

The leases are negotiated over terms of 5-15 years and rentals are fixed for 5-15 years. Some leases include a provision for five-yearly upward rent reviews according to prevailing market conditions. There are no options in place for either party to extend the lease terms.

At the reporting end date the charity had contracted with tenants the total minimum lease payments of £325,692 (2021: £440,592).

#### 19 Related Parties

Mr A C Blundy, Mr A Austin, Mr G Kirby, Mr R Hough, Ms H McIntosh, Mrs C Melville, Reverend S Winn and Councillor P Slattery, Trustees of the Charity, are also Trustees of the Greenwich Charity of William Hatcliffe and the Misses Smith. The Charity granted £250,000 (2021: £250,000) to this entity during the year. At the year end, £nil (2021: £nil) grants were outstanding to be paid to the Greenwich Charity of William Hatcliffe and the Misses Smith.

Mrs W Kirkman, Reverend T Goode and R Clough, Trustees of the Charity, are also Trustees of the Lee Charity of William Hatcliffe. The Charity granted £125,000 (2021: £125,000) to this entity during the year. At the year end, £nil (2021: £nil) grants were outstanding to be paid to the Lee Charity of William Hatcliffe.

Mr G A Coulson, Reverend S Hall, Mr J Watson, Trustees of the Charity, are also Trustees of the Lewisham Almshouse Charity of William Hatcliffe and Abraham Colfe. The Charity granted £125,000 (2021: £125,000) to this entity during the year. At the year end, £nil (2021: £nil) grants were outstanding to be paid to the Lewisham Almshouse Charity of William Hatcliffe and Abraham Colfe.

| 20 | Cash generated from operations                       | 2022<br>£      | 2021<br>£<br>(Restated) |
|----|------------------------------------------------------|----------------|-------------------------|
|    | Surplus for the year                                 | 3,069,252      | 1,178,703               |
|    | Adjustments for:                                     |                |                         |
|    | Fair value gains and losses on investment properties | (2,598,992)    | (841,392)               |
|    | Movements in working capital:                        |                |                         |
|    | Decrease in debtors                                  | 27,387         | 44,052                  |
|    | (Decrease) in creditors                              | (36,970)       | (444,248)               |
|    | <b>Cash generated from/(absorbed by) operations</b>  | <b>460,677</b> | <b>(62,885)</b>         |

#### 21 Analysis of changes in net debt

|                                            | At 1 April 2021<br>as restated<br>£ | Cash flows<br>£  | At 31 March 2022<br>£ |
|--------------------------------------------|-------------------------------------|------------------|-----------------------|
| Cash at bank and in hand                   | 197,142                             | 309,669          | 506,811               |
| Loans falling due after more than one year | -                                   | (792,000)        | (792,000)             |
|                                            | <u>197,142</u>                      | <u>(482,331)</u> | <u>(285,189)</u>      |

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 22 Prior period adjustment

##### Changes to the balance sheet

|                                      | As previously<br>reported | 2020<br>Adjustment | 2021<br>Adjustment | As restated       |
|--------------------------------------|---------------------------|--------------------|--------------------|-------------------|
|                                      | £                         | £                  | £                  | £                 |
| Investment properties                | 61,595,000                | -                  | -                  | 61,595,000        |
| <b>Current assets</b>                |                           |                    |                    |                   |
| Debtors due within one year          | 260,120                   | (129,088)          | (42,783)           | 88,249            |
| Bank and cash                        | 152,549                   | 122,326            | (77,733)           | 197,142           |
| <b>Creditors due within one year</b> |                           |                    |                    |                   |
| Other creditors                      | (352,567)                 | 39,352             | 125,348            | (187,867)         |
|                                      | <u>61,655,102</u>         | <u>32,590</u>      | <u>4,832</u>       | <u>61,692,524</u> |
| Net assets                           | <u>61,655,102</u>         | <u>32,590</u>      | <u>4,832</u>       | <u>61,692,524</u> |
| Capital funds                        |                           |                    |                    |                   |
| Endowment funds                      | -                         | 60,512,911         | 1,082,089          | 61,595,000        |
| Income funds                         |                           |                    |                    |                   |
| Designated funds                     | 60,102                    | -                  | 18,766             | 78,868            |
| General funds                        | 61,595,000                | (60,480,321)       | (1,096,023)        | 18,656            |
| <b>Total equity</b>                  | <u>61,655,102</u>         | <u>32,590</u>      | <u>4,832</u>       | <u>61,692,524</u> |

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 22 Prior period adjustment

(Continued)

##### Changes to the Statement of Financial Activities

|                                    | Period ended 31 March 2021 |            |             |
|------------------------------------|----------------------------|------------|-------------|
|                                    | As previously reported     | Adjustment | As restated |
|                                    | £                          | £          | £           |
| Rental and other investment income | 1,974,289                  | (13,934)   | 1,960,355   |
| Raising funds                      | 1,108,416                  | (18,766)   | 1,089,650   |
| Net movement in funds              | 1,173,871                  | 4,832      | 1,178,703   |

The accounts include two prior year adjustments:

1. The funds represented by the investment properties have been reclassified as permanent endowment (see note 15). This has resulted in the unrestricted funds as at 31 March 2021 being reduced by £61,595,000 (31 March 2020 reduced by £60,512,911) and permanent endowment funds being created by the same amount.

2. Adjustments have been made to correct the treatment of property agent's activity and to recognise cash held by the property agent on behalf of the charity. This has resulted in an increase in cash of £44,593 as at 31 March 2021, an decrease in debtors of £171,871 as at 31 March 2021, an decrease in creditors of £164,700 as at 31 March 2021. As a result, funds have increased by £37,422 as at 31 March 2021.

---

# Accounts

---

**THE ESTATE CHARITY OF WILLIAM HATCLIFFE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## LEGAL AND ADMINISTRATIVE INFORMATION

---

|                       |                                                                                            |                               |
|-----------------------|--------------------------------------------------------------------------------------------|-------------------------------|
| Trustees              | Mr A C Blundy (Chairman)                                                                   |                               |
|                       | Mr G Kirby (Vice chairman)                                                                 |                               |
|                       | Mr R Hough (Vice Chairman)                                                                 |                               |
|                       | Mr G A Coulson                                                                             |                               |
|                       | Reverend S Hall                                                                            |                               |
|                       | Mr A Austin                                                                                |                               |
|                       | Mrs W Kirkman                                                                              |                               |
|                       | Mr J Watson                                                                                |                               |
|                       | Reverend T Goode                                                                           |                               |
|                       | Ms H McIntosh                                                                              |                               |
|                       | Ms C Melville                                                                              |                               |
|                       | Reverend S Winn                                                                            | (Appointed 14 June 2021)      |
|                       | Councillor P Slattery                                                                      | (Appointed 7 September 2021)  |
| Clerk to the Trustees | Mr C Jeal                                                                                  | (Appointed 14 September 2021) |
|                       | Mr R Clough                                                                                | (Appointed 14 September 2021) |
|                       |                                                                                            |                               |
|                       | Mr C Jeal                                                                                  | (Retired 31 August 2021)      |
|                       | Ms S Tearle                                                                                | (From 1 September 2021)       |
| Charity number        | 227720                                                                                     |                               |
| Principal address     | St. Margaret's Visitor Centre<br>Brandram Road<br>Lewisham<br>London<br>SE13 5EA           |                               |
| Auditor               | HW Fisher LLP<br>Acre House<br>11-15 William Road<br>London<br>NW1 3ER<br>United Kingdom   |                               |
| Bankers               | The Co-operative Bank<br>88 Cornhill<br>London<br>EC3V 3NJ                                 |                               |
|                       | CAF Bank Limited<br>25 Kings Hill Avenue<br>Kings Hill<br>West Malling<br>Kent<br>ME19 4JQ |                               |

---

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## LEGAL AND ADMINISTRATIVE INFORMATION

---

|                          |                                                                                                                                                                                         |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                          | Handelsbanken<br>1 Cresswell Park<br>Blackheath<br>London<br>SE3 9RD                                                                                                                    |
| <b>Solicitors</b>        | Grant Saw Solicitors LLP<br>Wood Wharf Building<br>Horseferry Place<br>London<br>SE10 9BB<br><br>Thackray Williams LLP Solicitors<br>32 - 40 Widmore Road<br>Bromley<br>Kent<br>BR1 1RY |
| <b>Property managers</b> | Daniel Watney<br>165 Fleet Street<br>London<br>EC4A 2DW                                                                                                                                 |

---

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## CONTENTS

---

|                                         | Page    |
|-----------------------------------------|---------|
| Trustees' report                        | 1 - 5   |
| Statement of Trustees' responsibilities | 6       |
| Independent auditor's report            | 7 - 9   |
| Statement of financial activities       | 10 - 11 |
| Balance sheet                           | 12      |
| Statement of cash flows                 | 13      |
| Notes to the financial statements       | 14 - 21 |

---

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 MARCH 2021

---

The Trustees present their report and financial statements for the year ended 31 March 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 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 objects are:

Subject to:

- defraying of costs of repairs, insurance and outgoings payable in respect of the property of the Charity,
- paying all the proper costs, charges and expenses of, and incidental to, the administration and management of the Charity out of income - which may include establishing and maintaining a fund for capital expenditure on the properties,
- the net yearly income of the Charity shall be paid:-
  - One half to the Trustees of the Greenwich Charity of William Hatcliffe
  - One fourth to the Trustees of the Lee Charity of William Hatcliffe
  - One fourth to the Trustees of the Lewisham Charity of William Hatcliffe

Trustees continue to seek market rents on all commercial and residential properties and exploit opportunities to improve rental returns. When vacancies occur properties are inspected and, where necessary, a programme of work is implemented to protect the Trustees' long term interest in the premises. Trustees ensure that additional capital invested generates the appropriate return and that the environment in which the Trustees' property investments is situated is preserved and enhanced.

Works to maintain the overall "streetscape" are also undertaken as part of the preservation and enhancement of the properties and their environment.

Trustees do not anticipate any significant change in their strategy during the current year.

The Trustees have complied with their duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

Trustees rely upon the Beneficiary Charities to discharge the charitable requirements of William Hatcliffe for the public benefit as defined in the individual Trust Deeds. To aid this Trustees' responsibility is the effective management of the property portfolio and the generation of income.

#### Achievements and performance

The grants to the three Beneficiary Charities totalled £500,000 (2020: £500,000). As the income benefit of the capital investment programme is being seen, Trustees now consider that the sum of £300,000 should be the minimum assured to the Beneficiary Charities each year. At their meeting in March each year Trustees will decide the total available for distribution.

The Trustees consider themselves custodians, for the time being, of the assets of The Estate Charity of William Hatcliffe. As its name suggests, the Trust is responsible for, and derives its revenue from, the properties with which it was endowed in the Nineteenth Century.

Trustees residential properties comprises 22 flats above their commercial properties in Woolwich Road and 109 units in a block of houses and flats on Tuskar Street, Frobisher Street and Woodlands Park Road in the Royal Borough of Greenwich in South East London. The majority of these properties are let on Assured Shorthold Tenancies but 22 properties are subject to statutory tenancies limiting rental returns.

At their meeting in October 2015 Trustees decided that the type of accommodation provided by the Trust properties benefited from a high level of demand. They agreed with the recommendation of the Managing Agent that as they fall vacant refurbishment to a high standard should be undertaken. Trustees believe that the capital cost is justified by the enhanced rental income that should be achieved.

All residential and commercial properties are managed by Daniel Watney.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

---

#### Financial review

Income before grants, and donations for the year amounted to £1,974,289 (2020: £1,879,951). Expenditure was £1,641,810 (2020: £1,309,090). This includes management fees. Total reserves at the year end amount to £61,655,102 (2020: £60,481,231).

There was a rise in income of 5%. This reflects the minimal impact of Covid 19 (see specific section below), the quality of tenancies and the full income benefit of recently completed major refurbishments. In addition it had proved possible to negotiate small increases in rents upon renewal. Expenditure on refurbishments rose, reflecting commitments from the previous year and Trustees confidence in the overall estate and its further potential.

Trustees will need to have recourse to borrowings for the major building developments approved for completion over the next three years. They have negotiated an immediate facility of up to £1M with Handelsbanken. As the final budget cost of the development of 47-53 Woolwich Road, Greenwich (the Island Site) becomes apparent Trustees will seek to negotiate the necessary loan from Handelsbanken to complete the project.

The bank will be offered appropriate security for its loan as already evidenced by the Legal Charge over Avenor House that is in place. Trustees will carefully monitor their cash flow during the term of the loan. They confidently expect the rental income from the residential and commercial units on the redeveloped Island Site will enable them to repay all borrowing in less than ten years. This should be achieved without detriment to their other activities and the level of distributions to the Beneficiary Charities.

Acting on behalf of Trustees Daniel Watney has had pre-planning discussions with officers of the Royal Borough of Greenwich. It is anticipated that the full planning permission will be sought in autumn 2021 for the Island Site.

Trustees consider it essential that reserves are held to ensure that the routine maintenance of their buildings can be continued. It is also necessary to provide for the long-term enhancement of the estate and to ensure that significant refurbishments and extensions can be undertaken when the opportunities occur.

The property portfolio is held by the Trustees as a long term investment and to sustain it cash funds must be immediately available. The Trustees' reserves are held in readily accessible bank deposits.

Trustees will continue to monitor carefully the Trust's income while bank loans remain outstanding. They do not see this as being a hindrance to their activities and continual updating of the estate as provided for by the Property Development Fund.

#### Covid-19

The Managing Agents, Daniel Watney, immediately complied with Government directives and implemented its planned strategy to reduce staff working in the office and for work to be conducted from home. This meant that there was no obvious diminution of service, either to tenants or the Trustees.

At the outset residential tenants were encouraged to discuss with Daniel Watney if they anticipated difficulty with rent payments. There have been no reports of defaults and, when renewals were negotiated, a small rental increase has often been secured.

As a result of the strategy agreed with Daniel Watney, residential rental receipts have remained at over 99 per cent, which is rather better than the national average.

Lettings have continued and inspection has been through the use of a virtual tour facility. At the time of this report vacancies are, effectively, nil.

The commercial portfolio was more problematical with certain major tenants withholding payment. Conciliatory discussions have been held and in all cases the full rental will have been paid although over an extended period. There is one smaller tenant who has been unable to trade but, here again, effective dialogue should mean that there is no serious bad debt.

Trustees confidently expect that the position with regard to tenants will not deteriorate and that some overall increase may be achieved in the rental return. This will enable them to continue their improvements to the overall estate, provide an assured base to fund major projects and ensure that the Beneficiary Trusts can anticipate the continuation of the current level of distributions.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

---

The Charity's office had to be closed but the administration of the affairs of the Charity was ensured by the Clerk working from home. In conjunction with the Chair and Vice Chair with Roger Hough (Chair of the Greenwich Charity) continuity was maintained. As with most businesses, conducting the affairs of the Trust in compliance with the Covid-19 Regulations has at times been challenging, but Trustees do not believe that any of the Trust's activities have been significantly curtailed.

#### Risk assessment

Trustees have, assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks which are as follows:

- Computer records are password protected and physical papers are in locked cabinets.
- Access to the office is limited to known key holders.
- The building has a security alarm.
- Older papers are held in a separate building.
- Cash is not held or handled by the Trust either sterling or any other currency.
- There are no foreign currency transactions.
- All bank accounts are operated to their authorised signatory mandates
- Damage to trust assets - The entire property portfolio is insured for damage and loss of rent.

In March 2021 Trustees reviewed the Risk Assessment that reflected the operational changes brought about by the 'lockdown' as a result of the Covid 19 regulations. No deleterious impact was reported nor any need to change existing controls identified.

#### Structure, governance and management

The Charity is governed by a charitable trust deed dated 12 November 1897.

The Charity's Scheme stipulates that the Trustees of The Estate Charity of William Hatcliffe shall, when complete, consist of 16 competent persons being:

Three Ex-officio Trustees.

Thirteen Representative Trustees.

The incumbents for the time being of the ancient parishes of Greenwich, Lee and Lewisham, being Trustees under the above mentioned Scheme of 12 November 1897, shall be the Ex-officio Trustees of the said Charity.

The Representative Trustees shall be appointed as follows:

7 by the Trustees of the Greenwich Charity of William Hatcliffe out of their number.

3 by the Trustees of the Lee Charity of William Hatcliffe out of their number.

3 by the Trustees of the Lewisham Charity of William Hatcliffe out of their number.

Nominees are required to confirm acceptance of appointment as a Trustee and their willingness to act in the interest of the Charity. Each appointment is made for the term of four years.

The Trustees who served during the year and up to date of signature of the financial statements are:

|                            |                                    |
|----------------------------|------------------------------------|
| Mr A C Blundy (Chairman)   | Representing the Greenwich Charity |
| Mr R Hough Vice-chairman)  | Representing the Greenwich Charity |
| Mr G Kirby (Vice chairman) | Representing the Greenwich Charity |
| Mr A Austin                | Representing the Greenwich Charity |
| Mr G A Coulson             | Representing the Lewisham Charity  |
| Reverend S Hall            | Ex-officio the Lewisham Charity    |
| Reverend T Goode           | Ex-officio the Lee Charity         |
| Mrs W Kirkman              | Representing the Lee Charity       |
| Ms H McIntosh              | Representing the Greenwich Charity |
| Ms C Melville              | Representing the Greenwich Charity |
| Mr J Watson                | Representing the Lewisham Charity  |

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT (CONTINUED)

### **FOR THE YEAR ENDED 31 MARCH 2021**

---

The Ex-officio vacancy of the Greenwich Charity has been resolved with the appointment of the Reverend S Winn as incumbent.

The need to fill the two remaining vacancies for representatives of the Lee Charity has been advised to the Clerk of that Charity. The two vacancies in the Lee Charity representation will be pursued.

Following the death of Mrs G Phillips there has arisen one vacancy as a representative of the Lewisham Charity.

New Trustees are provided with a copy of the Trust Deed, the latest financial statements, relevant reports and copies of the Minutes of recent Trustees meetings. Apart from the three Ex-officio Trustees, who are the incumbents of the parishes in which the Beneficiary Charities are situated, all Trustees are nominated by those charities on the basis of their experience and knowledge relevant to a Trust primarily funded by its property portfolio.

The Trustees include in their number professionals of different disciplines as well as lay people with commercial and social experience.

Trustees are encouraged to acquaint themselves with the varied physical and geographical nature of the property portfolio. This is to enable them to make informed and prudent decisions based on the recommendations put to them by appropriately qualified professionals consulted by the Trust.

Trustees are made aware of their duties and responsibilities, expected to state their views at meetings and to question the professional advisers who attend Trustees meetings.

Trustees rely upon the advice of the Clerk for the efficient conduct of the Trust's affairs.

The Trustees generally meet twice each year in March and October. There is provision in the Trust Deed to summon Special Meetings.

If the Chairman or any Trustee considers it necessary the Clerk is requested to arrange additional meetings of any group of representative Trustees to consider and report on issues referred to them.

The Clerk is responsible for preparation and dispatch of the meeting notices and agenda with supporting papers. At their meeting, the Trustees:

- Receive reports from the Clerk on the administration of the Charity and on the recommendations of any working group of representative Trustees.
- Receive from the Chairman his commentary on the affairs of the Charity.
- Review the written report from the Managing Agent. The report also provides updates on any specific issues. Representatives of the Managing Agent also attend the meetings to provide additional information and respond to any questions from the Trustees.
- Decide on policy and provide instructions on issues raised. Where appropriate they may authorise the Chairman, in consultation with the Clerk, to implement decisions taken.

The Clerk is responsible for the day-to-day administration of the Charity reporting to the Chairman and Vice-Chairmen. The Clerk will invite instructions where appropriate.

The Charity acknowledges a relationship with:

- the Greenwich Charity of William Hatcliffe and the Misses Smith
- the Lee Charity of William Hatcliffe
- the Lewisham Almshouse Charity of William Hatcliffe and Abraham Colfe.

A summary of grants paid to the Beneficiary Charities is set out in note 6 to the financial statements.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

---

#### Plans for the future

At their March 2016 meeting Trustees accepted the advice of the Managing Agent that the demand for rental accommodation would continue. As a result the Hatcliffe Village (as a generic name the Trustees like to use for their properties in Frobisher Street, Tuskar Street and Woodlands Park Road) was strongly placed to take advantage for the following reasons:

- The homogenous nature of the properties offers the opportunity for an overall 'style'.
- The age and varied nature of accommodation differentiates the Hatcliffe Village from current developments in Greenwich and its environs and offers a marketing opportunity.
- The Trust as a single landlord to a close-knit estate can achieve a consistency of approach.
- For the same reason it can secure economies of scale when work needs to be carried out on more than one unit.
- There is scope for utilising (over time) various parcels of land within the estate to create additional residential units.

The above features continue to be evident in newly refurbished or extended properties. The rental obtained on such properties, and their swift letting, has given Trustees confidence in implementing their plans for new developments and refurbishments.

At their meeting in March 2020 the Trustees of the Estate Charity of William Hatcliffe agreed unanimously that the Greenwich Trust of William Hatcliffe and the Misses Smith would not participate in the development or subsequent possession of 47 – 53 Woolwich Road, known as The Island Site. One consequence is that the Estate Trustees agreed to repay the income distributions foregone by the Greenwich Trustees. As at the Balance Sheet of 31 March 2020 these amounted to £575,000.

That sum was fully repaid by March 2021. The effect is that, as at the Balance Sheet date of 31 March 2021, there were no outstanding loans.

Refurbishments are carried out for the following reasons:

- To comply with the Trust's legal obligations
- To improve the energy efficiency of the properties
- To ensure the properties have a continued life of 50 to 100 years
- On the advice of the Managing Agent, to enhance the letting value of the properties

As their strategy develops Trustees will continue to discharge their responsibilities to the three Beneficiary Charities.

#### Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Furthermore Trustees have confirmed that there are no conflicts of interest in fulfilling their role as Trustee.

The Trustees' report was approved by the Board of Trustees.

*Andrew Blundy*

**Mr A C Blundy (Chairman)**

Trustee 10 Mar 2022

Dated: .....

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### ***FOR THE YEAR ENDED 31 MARCH 2021***

---

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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 operation.

The Trustees are responsible for keeping sufficient 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 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.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF THE ESTATE CHARITY OF WILLIAM HATCLIFFE

---

#### Opinion

We have audited the financial statements of The Estate Charity of William Hatcliffe (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Matters on which we are required to report by exception

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

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

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE ESTATE CHARITY OF WILLIAM HATCLIFFE

---

#### **Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities, 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 cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: the Charity SORP, FRS 102 and Charities Act 2011.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to investment properties.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the validity of the classification of income, expenditure, assets and liabilities between unrestricted, designated and restricted funds.
- Obtaining third-party confirmation of material bank balances.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as the charity board minutes for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

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

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE ESTATE CHARITY OF WILLIAM HATCLIFFE

---

#### Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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) 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.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

#### 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.

*HW Fisher LLP*  
**HW Fisher LLP**

Chartered Accountants  
Statutory Auditor  
Acre House  
11-15 William Road  
London  
NW1 3ER  
United Kingdom  
10 Mar 2022  
.....

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

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 MARCH 2021**

### Current financial year

|                                                           |       | Unrestricted<br>funds<br>general<br>2021<br>£ | Unrestricted<br>funds<br>designated<br>2021<br>£ | Total<br>2021<br>£ | Total<br>2020<br>£ |
|-----------------------------------------------------------|-------|-----------------------------------------------|--------------------------------------------------|--------------------|--------------------|
|                                                           | Notes |                                               |                                                  |                    |                    |
| <b>Income from:</b>                                       |       |                                               |                                                  |                    |                    |
| Rental and other investment income                        | 3     | 1,974,289                                     | -                                                | 1,974,289          | 1,879,951          |
| <b>Expenditure on:</b>                                    |       |                                               |                                                  |                    |                    |
| Raising funds                                             | 4     | 546,059                                       | 562,357                                          | 1,108,416          | 777,457            |
| <b>Charitable activities</b>                              |       |                                               |                                                  |                    |                    |
| Grants and donations                                      | 5     | 533,394                                       | -                                                | 533,394            | 531,633            |
| <b>Total charitable expenditure</b>                       |       | 533,394                                       | -                                                | 533,394            | 531,633            |
| <b>Total resources expended</b>                           |       | 1,079,453                                     | 562,357                                          | 1,641,810          | 1,309,090          |
| Net gains/(losses) on investments                         | 10    | 841,392                                       | -                                                | 841,392            | -                  |
| Gross transfers between funds                             |       | (622,459)                                     | 622,459                                          | -                  | -                  |
| <b>Net income for the year/<br/>Net movement in funds</b> |       | 1,113,769                                     | 60,102                                           | 1,173,871          | 570,861            |
| Fund balances at 1 April 2020                             |       | 60,481,231                                    | -                                                | 60,481,231         | 59,910,370         |
| <b>Fund balances at 31 March 2021</b>                     |       | 61,595,000                                    | 60,102                                           | 61,655,102         | 60,481,231         |

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

All income and expenditure derive from continuing activities.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 MARCH 2021**

Prior financial year

|                                                           |       | Unrestricted<br>funds<br>general<br>2020<br>£ | Unrestricted<br>funds<br>designated<br>2020<br>£ | Total<br>2020<br>£ |
|-----------------------------------------------------------|-------|-----------------------------------------------|--------------------------------------------------|--------------------|
|                                                           | Notes |                                               |                                                  |                    |
| <b>Income from:</b>                                       |       |                                               |                                                  |                    |
| Rental and other investment income                        | 3     | 1,879,951                                     | -                                                | 1,879,951          |
| <b>Expenditure on:</b>                                    |       |                                               |                                                  |                    |
| Raising funds                                             | 4     | 468,491                                       | 308,966                                          | 777,457            |
| <u>Charitable activities</u>                              |       |                                               |                                                  |                    |
| Grants and donations                                      | 5     | 531,633                                       | -                                                | 531,633            |
| <b>Total charitable expenditure</b>                       |       | 531,633                                       | -                                                | 531,633            |
| <b>Total resources expended</b>                           |       | 1,000,124                                     | 308,966                                          | 1,309,090          |
| Net gains/(losses) on investments                         | 10    | -                                             | -                                                | -                  |
| <b>Net incoming resources before transfers</b>            |       | 879,827                                       | (308,966)                                        | 570,861            |
| Gross transfers between funds                             |       | (102,012)                                     | 102,012                                          | -                  |
| <b>Net income for the year/<br/>Net movement in funds</b> |       | 777,815                                       | (206,954)                                        | 570,861            |
| Fund balances at 1 April 2019                             |       | 59,703,416                                    | 206,954                                          | 59,910,370         |
| <b>Fund balances at 31 March 2020</b>                     |       | 60,481,231                                    | -                                                | 60,481,231         |

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

All income and expenditure derive from continuing activities.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## BALANCE SHEET

AS AT 31 MARCH 2021

|                                                       | Notes | 2021<br>£  | £          | 2020<br>£  | £          |
|-------------------------------------------------------|-------|------------|------------|------------|------------|
| <b>Fixed assets</b>                                   |       |            |            |            |            |
| Investment properties                                 | 11    |            | 61,595,000 |            | 60,512,911 |
| <b>Current assets</b>                                 |       |            |            |            |            |
| Debtors                                               | 12    | 260,120    |            | 261,389    |            |
| Cash at bank and in hand                              |       | 152,549    |            | 378,398    |            |
|                                                       |       | 412,669    |            | 639,787    |            |
| <b>Creditors: amounts falling due within one year</b> | 13    | (352,567)  |            | (671,467)  |            |
| Net current assets/(liabilities)                      |       |            | 60,102     |            | (31,680)   |
| <b>Total assets less current liabilities</b>          |       |            | 61,655,102 |            | 60,481,231 |
| <b>Income funds</b>                                   |       |            |            |            |            |
| <u>Unrestricted funds</u>                             |       |            |            |            |            |
| Designated funds                                      | 14    | 60,192     |            | -          |            |
| General unrestricted funds                            |       | 61,594,910 |            | 60,481,231 |            |
|                                                       |       |            | 61,655,102 |            | 60,481,231 |
|                                                       |       |            | 61,655,102 |            | 60,481,231 |

10 Mar 2022

The financial statements were approved by the Trustees on .....

*Andrew Blundy*  
 .....  
 Mr A C Blundy (Chairman)  
 Trustee

*Gregory J. Kirby*  
 .....  
 Mr G Kirby (Vice chairman)  
 Trustee

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 MARCH 2021**

|                                                  |       | 2021      |           | 2020      |           |
|--------------------------------------------------|-------|-----------|-----------|-----------|-----------|
|                                                  | Notes | £         | £         | £         | £         |
| <b>Cash flows from operating activities</b>      |       |           |           |           |           |
| Cash generated from operations                   | 18    |           | 14,848    |           | 414,549   |
| <b>Investing activities</b>                      |       |           |           |           |           |
| Capital expenditure on property                  |       | (240,697) |           | (922,911) |           |
| <b>Net cash used in investing activities</b>     |       |           | (240,697) |           | (922,911) |
| <b>Financing activities</b>                      |       |           |           |           |           |
| Repayment of bank loans                          |       | -         |           | (115,283) |           |
| <b>Net cash used in financing activities</b>     |       |           | -         |           | (115,283) |
| <b>Net decrease in cash and cash equivalents</b> |       |           | (225,849) |           | (623,645) |
| Cash and cash equivalents at beginning of year   |       |           | 378,398   |           | 1,002,043 |
| <b>Cash and cash equivalents at end of year</b>  |       |           | 152,549   |           | 378,398   |

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

---

#### 1 Accounting policies

##### Company information

The Estate Charity of William Hatcliffe is a registered charity. The principal address is St. Margaret's Visitor Centre, Brandram Road, Lewisham, London, SE13 5EA. Details of Trustees are mentioned on page 1.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's charitable 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)". 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, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

As described in the Trustees' Report, the changes to the charity's activities in the year 2020/2021 to date as a result of the prolonged Covid-19 pandemic and the resulting lockdowns has not had a major financial impact. The trustees are confident that the incidence of default or bad debts among the private or commercial tenants will remain manageable.

Based on their financial projections, the Trustees are confident that the established programme for the update of the entire property portfolio, which is a part of their long-term development plans, can be maintained. The Trustees believe that the future outlook remains positive for the Estate Charity and the ability to maintain distributions to the Beneficiary Charities.

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue 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 Trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

##### 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.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

---

#### 1 Accounting policies

(Continued)

##### 1.5 Resources expended

Fundraising costs comprise the costs incurred in maintaining and managing the investment properties. Support and governance costs are those which do not directly relate to charitable activities, and include the costs of audit and statutory compliance. Support and governance costs are directly attributed to charitable activities.

Grants are recognised and recorded in the financial statements at full cost at the time the funds are committed by the Board of Trustees.

##### 1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

The Trustees commissioned a full revaluation of the Trust property portfolio, both residential and commercial. The residential valuation was undertaken by Daniel Watney LLP. A total of £59,270,000 was advised. All the commercial properties were valued by Linays Commercial Limited. A total of £2,325,000 was advised. Both valuations are as at 31 March 2021.

##### 1.7 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### *Basic financial assets*

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

##### *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 receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

##### *Derecognition of financial liabilities*

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

##### 1.8 Grants payable

Grants are brought into the Statement of Financial Activities on an accruals basis.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 2 Critical accounting estimates and judgements

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

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

There were no critical judgements made for the year.

The valuation of the investment properties is the only critical accounting estimate in the financial statements. Further details of the way these have been valued are set out in the relevant accounting policy note.

#### 3 Rental and other investment income

|                        | Unrestricted<br>funds<br>general<br>2021<br>£ | Unrestricted<br>funds<br>general<br>2020<br>£ |
|------------------------|-----------------------------------------------|-----------------------------------------------|
| Property rental income | 1,974,044                                     | 1,878,756                                     |
| Interest receivable    | 245                                           | 1,195                                         |
|                        | <u>1,974,289</u>                              | <u>1,879,951</u>                              |

#### 4 Raising funds

|                                                                                      | Unrestricted<br>funds<br>general<br>2021<br>£ | Unrestricted<br>funds<br>designated<br>2021<br>£ | Total<br>2021<br>£ | Unrestricted<br>funds<br>general<br>2020<br>£ | Unrestricted<br>funds<br>designated<br>2020<br>£ | Total<br>2020<br>£ |
|--------------------------------------------------------------------------------------|-----------------------------------------------|--------------------------------------------------|--------------------|-----------------------------------------------|--------------------------------------------------|--------------------|
| <u>Repairs, management fees<br/>and other costs of the<br/>investment properties</u> |                                               |                                                  |                    |                                               |                                                  |                    |
| Major refurbishments                                                                 | -                                             | 562,357                                          | 562,357            | -                                             | 308,966                                          | 308,966            |
| Utilities                                                                            | 22,048                                        | -                                                | 22,048             | 17,604                                        | -                                                | 17,604             |
| Legal and professional                                                               | 183,398                                       | -                                                | 183,398            | 187,658                                       | -                                                | 187,658            |
| Other fundraising costs                                                              | 9,180                                         | -                                                | 9,180              | 16,065                                        | -                                                | 16,065             |
|                                                                                      | <u>214,626</u>                                | <u>562,357</u>                                   | <u>776,983</u>     | <u>221,327</u>                                | <u>308,966</u>                                   | <u>530,293</u>     |
| Repairs, management fees<br>and other costs of the<br>investment properties          | 214,626                                       | 562,357                                          | 776,983            | 221,327                                       | 308,966                                          | 530,293            |
| <u>Investment management</u>                                                         | <u>331,433</u>                                | <u>-</u>                                         | <u>331,433</u>     | <u>247,164</u>                                | <u>-</u>                                         | <u>247,164</u>     |
|                                                                                      | <u>546,059</u>                                | <u>562,357</u>                                   | <u>1,108,416</u>   | <u>468,491</u>                                | <u>308,966</u>                                   | <u>777,457</u>     |

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 5 Charitable activities

|                                          | Grants and<br>donations<br>2021<br>£ | Grants and<br>donations<br>2020<br>£ |
|------------------------------------------|--------------------------------------|--------------------------------------|
| Grant funding of activities (see note 6) | 500,000                              | 500,000                              |
| Share of support costs (see note 7)      | 20,006                               | 18,585                               |
| Share of governance costs (see note 7)   | 13,388                               | 13,048                               |
|                                          | <u>533,394</u>                       | <u>531,633</u>                       |

#### 6 Grants payable

|                                                             | Grants and<br>donations<br>2021<br>£ | Grants and<br>donations<br>2020<br>£ |
|-------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Grants to institutions:                                     |                                      |                                      |
| Greenwich Charity of William Hatcliffe and the Misses Smith | 250,000                              | 250,000                              |
| Lee Charity of William Hatcliffe                            | 125,000                              | 125,000                              |
| Lewisham Almshouse Charities                                | 125,000                              | 125,000                              |
|                                                             | <u>500,000</u>                       | <u>500,000</u>                       |

#### 7 Support costs

|                              | Support costs<br>£ | Governance<br>costs<br>£ | 2021<br>£     | Support costs<br>£ | Governance<br>costs<br>£ | 2020<br>£     |
|------------------------------|--------------------|--------------------------|---------------|--------------------|--------------------------|---------------|
| Accountancy                  | 2,100              | -                        | 2,100         | 2,280              | -                        | 2,280         |
| Rent and other expenses      | 6,926              | -                        | 6,926         | 5,325              | -                        | 5,325         |
| Clerks fees                  | 10,980             | -                        | 10,980        | 10,980             | -                        | 10,980        |
| Audit fees                   | -                  | 12,000                   | 12,000        | -                  | 11,760                   | 11,760        |
| Trustees indemnity insurance | -                  | 1,288                    | 1,288         | -                  | 1,288                    | 1,288         |
| Trustees expenses            | -                  | 100                      | 100           | -                  | -                        | -             |
|                              | <u>20,006</u>      | <u>13,388</u>            | <u>33,394</u> | <u>18,585</u>      | <u>13,048</u>            | <u>31,633</u> |
| Analysed between             |                    |                          |               |                    |                          |               |
| Charitable activities        | <u>20,006</u>      | <u>13,388</u>            | <u>33,394</u> | <u>18,585</u>      | <u>13,048</u>            | <u>31,633</u> |

Governance costs includes payments to the auditors of £12,000 (2020: £11,760) for audit fees.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 8 Trustees

None of the Trustees (including any persons connected with them) received remuneration or benefits from the charity during the year.

2 trustees (2020: nil) were reimbursed for expenses in relation to postage and document certification during the year, of £40 (2020: £nil).

#### 9 Employees

The average monthly number of employees during the year was:

|       | 2021<br>Number | 2020<br>Number |
|-------|----------------|----------------|
| Total | -              | -              |

#### 10 Net gains/(losses) on investments

|                                      | Unrestricted<br>funds<br>general<br>2021<br>£ | Total<br>2020<br>£ |
|--------------------------------------|-----------------------------------------------|--------------------|
| Revaluation of investment properties | 841,392                                       | -                  |

#### 11 Investment property

|                                                    | 2021<br>£  |
|----------------------------------------------------|------------|
| <b>Fair value</b>                                  |            |
| At 1 April 2020                                    | 60,512,911 |
| Capital expenditure on property                    | 240,697    |
| Net gains or losses through fair value adjustments | 841,392    |
| At 31 March 2021                                   | 61,595,000 |

Investment property comprises of a mixture of both residential and commercial units. The fair value of the investment property has been arrived at on the basis of valuations carried out in November 2021 and January 2022 by Daniel Watney LLP and Linays Commercial Limited, Chartered Surveyors, who are not connected with the charity. The valuations were made on an open market value basis by reference to market evidence of transaction prices for similar properties.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 12 Debtors

|                                             | 2021           | 2020           |
|---------------------------------------------|----------------|----------------|
|                                             | £              | £              |
| <b>Amounts falling due within one year:</b> |                |                |
| Escrow account                              | -              | 50,000         |
| Other debtors                               | 13,807         | 13,807         |
| Prepayments and accrued income              | 246,313        | 197,582        |
|                                             | <u>260,120</u> | <u>261,389</u> |

The escrow account seen above for the year ended 31 March 2020 relates to monies held by a firm of solicitors in relation to the sale of an investment property, which has been released this year.

#### 13 Creditors: amounts falling due within one year

|                              | 2021           | 2020           |
|------------------------------|----------------|----------------|
|                              | £              | £              |
| Other creditors              | 10,975         | 10,975         |
| Accruals and deferred income | 341,592        | 660,492        |
|                              | <u>352,567</u> | <u>671,467</u> |

#### 14 Designated funds

The income funds of the Charity include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific purposes:

|                                 | Balance at<br>1 April 2019 | Resources<br>expended | Transfers      | Balance at<br>1 April 2020 | Resources<br>expended | Transfers      | Balance at<br>31 March 2021 |
|---------------------------------|----------------------------|-----------------------|----------------|----------------------------|-----------------------|----------------|-----------------------------|
|                                 | £                          | £                     | £              | £                          | £                     | £              | £                           |
| Property<br>Development<br>Fund | 206,954                    | (308,966)             | 102,012        | -                          | (562,357)             | 622,549        | 60,192                      |
|                                 | <u>206,954</u>             | <u>(308,966)</u>      | <u>102,012</u> | <u>-</u>                   | <u>(562,357)</u>      | <u>622,549</u> | <u>60,192</u>               |

The designated fund has been established by the Trustees and authorised by the Charity Commission on 4 January 2008 in order to provide for the repair, improvement and rebuilding of investment properties. The transfer relates to the net surplus generated this year which has been designated to the Property Development Fund in preparation to meet the significant programme of refurbishments and extensions to the residential portfolio.

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 15 Analysis of net assets between funds

|                                                    | Unrestricted<br>funds<br>2021<br>£ | Designated<br>funds<br>2021<br>£ | Total<br>2021<br>£ | Unrestricted<br>funds<br>2020<br>£ | Designated<br>funds<br>2020<br>£ | Total<br>2020<br>£ |
|----------------------------------------------------|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| Fund balances at 31 March 2021 are represented by: |                                    |                                  |                    |                                    |                                  |                    |
| Investment properties                              | 61,595,000                         | -                                | 61,595,000         | 60,512,911                         | -                                | 60,512,911         |
| Current assets/(liabilities)                       | -                                  | 60,102                           | 60,102             | (31,680)                           | -                                | (31,680)           |
|                                                    | <u>61,595,000</u>                  | <u>60,102</u>                    | <u>61,655,102</u>  | <u>60,481,231</u>                  | <u>-</u>                         | <u>60,481,231</u>  |

#### 16 Operating lease commitments

##### Lessor

The leases are negotiated over terms of 5-15 years and rentals are fixed for 5-15 years. Some leases include a provision for five-yearly upward rent reviews according to prevailing market conditions. There are no options in place for either party to extend the lease terms.

At the reporting end date the charity had contracted with tenants the total minimum lease payments of £440,591 (2020: £305,062).

#### 17 Related Parties

Mr A C Blundy, Mr A Austin, Mr G Kirby, Mr R Hough, Ms H McIntosh, Mrs C Melville, Reverend S Winn and Councillor P Slattery, Trustees of the Charity, are also Trustees of the Greenwich Charity of William Hatcliffe and the Misses Smith. The Charity granted £250,000 (2020: £250,000) to this entity during the year. At the year end, £nil (2020: £575,000) grants were outstanding to be paid to the Greenwich Charity of William Hatcliffe and the Misses Smith.

Mrs W Kirkman, Reverend T Goode and Mr C Jeal, Trustees of the Charity, are also Trustees of the Lee Charity of William Hatcliffe. The Charity granted £125,000 (2020: £125,000) to this entity during the year.

Mr G A Coulson, Reverend S Hall, Mr J Watson and Mrs G Phillips, Trustees of the Charity, are also Trustees of the Lewisham Almshouse Charity of William Hatcliffe and Abraham Colfe. The Charity granted £125,000 (2020: £125,000) to this entity during the year.

#### 18 Cash generated from operations

|                                                      | 2021<br>£     | 2020<br>£      |
|------------------------------------------------------|---------------|----------------|
| Surplus for the year                                 | 1,173,871     | 570,861        |
| Adjustments for:                                     |               |                |
| Fair value gains and losses on investment properties | (841,392)     | -              |
| Movements in working capital:                        |               |                |
| Decrease/(increase) in debtors                       | 1,269         | (24,926)       |
| (Decrease) in creditors                              | (318,900)     | (131,386)      |
| <b>Cash generated from operations</b>                | <u>14,848</u> | <u>414,549</u> |

# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### *FOR THE YEAR ENDED 31 MARCH 2021*

---

19 **Analysis of changes in net funds**

The charity had no debt during the year.