

**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

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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	

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# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## LEGAL AND ADMINISTRATIVE INFORMATION

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### **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

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# THE ESTATE CHARITY OF WILLIAM HATCLIFFE

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 MARCH 2022

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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

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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

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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

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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

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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***

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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

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#### 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

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#### **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

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#### 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  
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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 funds general 2022	Unrestricted funds designated 2022	Endowment funds 2022	Total 2022	Total 2021 (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
<b>As restated</b>		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 general 2021 (Restated) £	Unrestricted funds designated 2021 (Restated) £	Endowment funds 2021 (Restated) £	Total 2021 (Restated) £
<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 £	£	2021 £ (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 £	£	2021 £ (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

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#### 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

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#### 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 funds general 2022 £	Unrestricted funds general 2021 £ (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 funds general 2022 £	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £ (Restated)	Total 2021 £ (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>Repairs, management fees and other costs of the investment properties</u>				
	553,769	214,626	543,591	758,217
<u>Investment management</u>				
	353,800	331,433	-	331,433
	<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 donations 2022 £	Grants and donations 2021 £
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 donations 2022 £	Grants and donations 2021 £
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 £
<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 £	2021 £ (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 £	2021 £ (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 £	2021 £
<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 31 March 2022
	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	65,137,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </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 31 March 2022
	Balance at 1 April 2020	Resources expended (as restated)	Transfers (as restated)	Balance at 1 April 2021 (as restated)	Incoming resources (as restated)		
	£	£	£	£	£		
Property Development Fund	-	(543,591)	622,459	78,868	-		78,868
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>		<u>          </u>
	-	(543,591)	622,459	78,868	-		78,868
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>		<u>          </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 £	2021 £ (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 as restated £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	197,142	309,669	506,811
Loans falling due after more than one year	-	(792,000)	(792,000)
	<b>197,142</b>	<b>(482,331)</b>	<b>(285,189)</b>

# 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 reported £	2020 Adjustment £	2021 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>
<b>Net assets</b>	<u>61,655,102</u>	<u>32,590</u>	<u>4,832</u>	<u>61,692,524</u>
<b>Capital funds</b>				
Endowment funds	-	60,512,911	1,082,089	61,595,000
<b>Income funds</b>				
Designated funds	60,102	-	18,766	78,868
General funds	61,595,000	(60,480,321)	(1,096,023)	18,656
	<u>61,655,102</u>	<u>32,590</u>	<u>4,832</u>	<u>61,692,524</u>
<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.