

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

Trustees	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)
Clerk to the Trustees	Mrs S Tearle	
Charity number	227720	
Principal address	St Margaret's Visitor Centre 2 Brandram Road Lewisham London SE13 5EA	
Auditor	Myers Clark Suite 7A, Building 6 Croxley Park, Hatters Lane Watford Hertfordshire WD18 8YH	
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	
	Handelsbanken 4th Floor 50 Southwark Street London SE1 1UN	
Solicitors	Grant Saw Solicitors LLP Wood Wharf Building Horseferry Place London 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

	Page
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

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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 funds general 2025	Unrestricted funds designated 2025	Endowment funds 2025	Total 2025	Total 2024
	Notes	£	£	£	£	£
Income from:						
Rental and other investment income	3	2,647,356	-	-	2,647,356	2,413,287
Expenditure on:						
Raising funds	4	1,617,664	-	-	1,617,664	1,476,811
Charitable activities	5	674,391	-	-	674,391	674,841
Total expenditure		2,292,055	-	-	2,292,055	2,151,652
Net gains/(losses) on investments	10	-	-	900,000	900,000	466,319
Net incoming resources before transfers		355,301	-	900,000	1,255,301	727,954
Gross transfers between funds		(392,746)	392,746	-	-	-
Net movement in funds		(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
Fund balances at 31 March 2025		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 funds general 2024	Unrestricted funds designated 2024	Endowment funds 2024	Total 2024
	Notes	£	£	£	£
Income from:					
Rental and other investment income	3	2,413,287	-	-	2,413,287
Total income		2,413,287	-	-	2,413,287
Expenditure on:					
Raising funds	4	1,476,811	-	-	1,476,811
Charitable activities	5	674,841	-	-	674,841
Total expenditure		2,151,652	-	-	2,151,652
Net gains/(losses) on investments	10	-	-	466,319	466,319
Net incoming resources before transfers		261,635	-	466,319	727,954
Gross transfers between funds		(188,681)	160,000	28,681	-
Net movement in funds		72,954	160,000	495,000	727,954
Fund balances at 1 April 2023		251,724	398,868	68,410,000	69,060,592
Fund balances at 31 March 2024		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	£	£	£	£
Fixed assets					
Investment properties	11		70,605,000		69,705,000
Current assets					
Debtors	12	83,292		87,025	
Cash at bank and in hand		1,227,512		897,488	
		1,310,804		984,513	
Creditors: amounts falling due within one year	13	(71,957)		(100,967)	
Net current assets			1,238,847		883,546
Total assets less current liabilities			71,843,847		70,588,546
Creditors: amounts falling due after more than one year	14		(800,000)		(800,000)
Net assets			71,043,847		69,788,546
Capital funds					
Endowment funds	15		69,805,000		68,905,000
Income funds					
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	£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	20		(2,317,332)		(2,149,235)
Investing activities					
Capital expenditure on investment property		-		(28,681)	
Investment income received		2,647,356		2,413,287	
Net cash generated from investing activities			2,647,356		2,384,606
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			330,024		235,371
Cash and cash equivalents at beginning of year			897,488		662,117
Cash and cash equivalents at end of year			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

	Unrestricted funds general 2025 £	Unrestricted funds general 2024 £
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

	Unrestricted funds general 2025 £	Unrestricted funds general 2024 £
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

	Grants and donations 2025 £	Grants and donations 2024 £
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

	Grants and donations 2025 £	Grants and donations 2024 £
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 2025	Endowment funds 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 £
Fair value	
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 £	2024 £
Amounts falling due within one year:		
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 £	2024 £
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 £	2024 £
Notes		
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 1 April 2023 £	Transfers £	Gains and losses £	Balance at 1 April 2024 £	Gains and losses 31 March 2025 £	Balance at 31 March 2025 £
Permanent endowments						
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 1 April 2023 £	Transfers £	Balance at 1 April 2024 £	Transfers £	Balance at 31 March 2025 £
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 funds general 2025 £	Unrestricted funds Designated 2025 £	Endowment funds 2025 £	Total 2025 £
At 31 March 2025:				
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 funds general 2024 £	Unrestricted funds Designated 2024 £	Endowment funds 2024 £	Total 2024 £
At 31 March 2024:				
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 £	2024 £
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 £	2024 £
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)
Cash absorbed by operations	(2,317,332)	(2,149,235)

21 Analysis of changes in net funds	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
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>