

WATLINGTON HOUSE

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

WATLINGTON HOUSE

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WATLINGTON HOUSE

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 30 SEPTEMBER 2019

Trustees

A M Andrews
G Adair
R Bennett, Hon. Secretary
M Cookson
Canon B Shenton, Hon. Chairman
S Thornton
D C H Williams, Hon. Treasurer

Charity registered number

1158378

Principal office

Watlington House
44 Watlington Street
Reading
Berkshire
RG1 4RJ

Accountants

James Cowper Kreston
Chartered Accountants and Statutory Auditor
Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

Bankers

NatWest Bank Plc
Level 1
The Oracle Centre
Reading
Berkshire
RG1 2AH

Solicitors

Field Seymour Parkes
1 London Street
Reading
Berkshire
RG1 4QW

WATLINGTON HOUSE

TRUSTEES' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

The Trustees present their annual report together with the financial statements of the Charity for the year ended 30 September 2019. The Trustees confirm that the annual report and finance statements of the company comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP), 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 2016).

CONSTITUTION

The charity is controlled by its governing document, a Constitution registered with the Charity Commission on 28 August 2014, and constitutes an incorporated charity.

METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Constitution registered with the Charity Commission on 28 August 2014.

RISK REVIEW

The Trustees actively review the major risks which the Charity faces on a regular basis.

The loss of key tenants poses a significant risk for the charity. In 2010, following the loss of several of its tenants, the Charity's income fell and its ability to keep trading as a going concern was open to question. In view of this the Charity took a number of steps to increase its income and reduce its operating costs. All income from Letting and hall and other hire in 2018/19 amounted to £89,058 (2017/18: £79,706), the largest amount ever achieved by the Trust.

The Trustees also keep the potential cost of improvements, planned maintenance and unforeseen repairs under regular review and have adopted a policy of ensuring that the Trust always has a reserve of at least the equivalent of three months expenditure. Once the current programme of refurbishment and improvements has been completed the Trustees intend to create a 'sinking fund' from their reserves to cover any future major expenditure.

As at the date of this report, the recent coronavirus pandemic has created a significant amount of uncertainty and disruption across the charity sector and beyond. Many charities and businesses are likely to struggle financially over the coming months. While the financial position of Watlington House will undoubtedly be negatively affected, it is in the fortunate position of having sufficient reserves and a healthy cash balance in place in order to keep the organisation running for the foreseeable future.

OBJECTIVES AND ACTIVITIES FOR PUBLIC BENEFIT

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Watlington House is a Grade 2 listed building. When threatened with demolition in 1930, public monies were raised and the building was purchased by the National Council of Social Service (now the National Council for Voluntary Service) in 1931 for £1,705 plus expenses, to be run by the Watlington House Management Committee, which was then registered as a charity in its own right. The value of the building now for insurance purposes is £3.5m and it is insured with the Ecclesiastical Insurance Co Ltd.

The Charity was formed to manage and maintain Watlington House for the general benefit of the local community. The house has a number of rooms and a Hall for letting and hire by individuals or organisations in accordance with the standard hiring agreement and the scale of charges adopted for the year. The income from lettings is used to maintain the property.

On 2nd April 2014 the Charity obtained Charity Commission approval to change its constitution. It is now a Charitable Incorporated Organization (CIO).

WATLINGTON HOUSE

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2019

A CIO can acquire land and in July 2016 the Charity acquired the freehold of Watlington House from the National Council for Voluntary Service. No consideration was paid.

GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

FINANCES

The Charity's total funds, excluding investment property, at 30 September 2019 amounted to £85,291. In view of the Trust's improved financial position the Trust has embarked on a programme of repair, refurbishment and improvement. During the financial year 2016/17 the roof and exterior of the main building were repaired and refurbished. During the year 2017/18, the Hall was refurbished and extended to provide additional office accommodation. During the year of this report the boundary wall was refurbished and further work was done to the house. In the forthcoming year 2019/20 most of the sash windows will be replaced and a major project will be started to remodel the front garden of the house so that it reverts more to the state it was before the 2nd World War, when it first lost its railings to the war effort, followed later by the wall itself. In consequence the Trust is well on its way to dealing with outstanding repair and refurbishment issues, while maintaining a healthy bank balance. The Trustees are confident, therefore, that the Trust can continue to operate as a going concern.

TRUSTEES' RESPONSIBILITIES STATEMENT

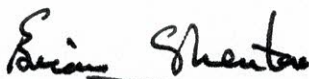
The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & 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 period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 proper accounting records that are sufficient to show and explain the charity's transactions and 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.

This report was approved by the Trustees, on *23/05/2020* and signed on their behalf by:



.....
Canon B Shenton, Hon. Chairman

WATLINGTON HOUSE

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF WATLINGTON HOUSE (the 'charity')

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 30 September 2019.

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. My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for my work or for this report.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

Your attention is drawn to the fact that the charity has prepared the accounts 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) 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 been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

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**INDEPENDENT EXAMINER'S REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed: 

Dated: 9 June 2020

Alexander Peal FCA

JAMES COWPER KRESTON

Chartered Accountants and Statutory Auditor

Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

WATLINGTON HOUSE

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Note	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:				
Charitable activities	2	89,058	89,058	79,706
TOTAL INCOME		89,058	89,058	79,706
EXPENDITURE ON:				
Charitable activities	4	56,824	56,824	88,800
TOTAL EXPENDITURE		56,824	56,824	88,800
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		32,234	32,234	(9,094)
NET MOVEMENT IN FUNDS		32,234	32,234	(9,094)
RECONCILIATION OF FUNDS:				
Total funds brought forward		3,553,057	3,553,057	3,562,151
TOTAL FUNDS CARRIED FORWARD		3,585,291	3,585,291	3,553,057

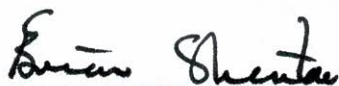
The notes on pages 9 to 13 form part of these financial statements.

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BALANCE SHEET
AS AT 30 SEPTEMBER 2019

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Investment property	5		3,500,000		3,500,000
CURRENT ASSETS					
Cash at bank and in hand		86,655		54,401	
CREDITORS: amounts falling due within one year	6	(1,364)		(1,344)	
NET CURRENT ASSETS			<u>85,291</u>		<u>53,057</u>
NET ASSETS			<u><u>3,585,291</u></u>		<u><u>3,553,057</u></u>
CHARITY FUNDS					
Unrestricted funds	7		<u>3,585,291</u>		<u>3,553,057</u>
TOTAL FUNDS			<u><u>3,585,291</u></u>		<u><u>3,553,057</u></u>

The financial statements were approved by the Trustees on 23/05/2020 and signed on their behalf, by:



.....
Canon B Shenton, Hon. Chairman

The notes on pages 9 to 13 form part of these financial statements.

WATLINGTON HOUSE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	9	<u>32,254</u>	<u>(9,784)</u>
Change in cash and cash equivalents in the year		32,254	(9,784)
Cash and cash equivalents brought forward		<u>54,401</u>	<u>64,185</u>
Cash and cash equivalents carried forward		<u>86,655</u>	<u>54,401</u>

The notes on pages 9 to 13 form part of these financial statements.

WATLINGTON HOUSE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

Watlington House constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The trustees are of the view that the charity has sufficient funds to enable it to continue its activities on a going concern basis for a period of at least 12 months from the date of approval of these accounts. The trustees have also considered the impact of the global Covid-19 pandemic on the ability of the charity to continue operating for the foreseeable future. The trustees believe that the financial statements have been prepared appropriately on the going concern basis.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Income

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

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

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. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

WATLINGTON HOUSE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. ACCOUNTING POLICIES (continued)

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.7 Investment property

Investment property is carried at fair value determined annually by the director and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Financial Activities.

1.8 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Tenant's rent	59,051	59,051	53,741
Hall and other income	30,007	30,007	25,965
	<u>89,058</u>	<u>89,058</u>	<u>79,706</u>
Total 2018	<u>79,706</u>	<u>79,706</u>	

WATLINGTON HOUSE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

3. DIRECT COSTS

	Activities	Total	Total
	£	£	2018
			£
Caretaking	7,440	7,440	7,360
Rates	4,885	4,885	4,663
Insurance	4,728	4,728	4,167
Light and heat	7,681	7,681	8,345
House expenditure	7,219	7,219	7,844
Repairs and maintenance	5,483	5,483	11,207
House improvements	14,187	14,187	39,723
Water	1,551	1,551	1,496
Cleaning	2,819	2,819	2,967
Sundry	107	107	320
	56,100	56,100	88,092
	56,100	56,100	88,092
Total 2018	88,092	88,092	

4. GOVERNANCE COSTS

	Unrestricted	Total	Total
	funds	funds	funds
	2019	2019	2018
	£	£	£
Independent examiner's fees	724	724	708
	724	724	708

5. INVESTMENT PROPERTY

	Freehold investment property
	£
Valuation	
At 1 October 2017 and 30 September 2018	3,500,000

The freehold investment property was acquired from the National Council for Voluntary Organisations (NCVO) for a peppercorn on 18th July 2016. The freehold property was revalued by the Trustees, on an open market for existing use basis.

6. CREDITORS: Amounts falling due within one year

	2019	2018
	£	£
Accruals and deferred income	1,364	1,344
	1,364	1,344

WATLINGTON HOUSE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

7. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 October 2018 £	Income £	Expenditure £	Balance at 30 September 2019 £
Unrestricted funds				
Unrestricted funds	53,057	89,058	(56,824)	85,291
Revaluation reserve	3,500,000	-	-	3,500,000
	<u>3,553,057</u>	<u>89,058</u>	<u>(56,824)</u>	<u>3,585,291</u>

In 2011 a restricted donation of £20,000 was received from the estate of the late Geoff Hill, to enable the Trust to restore the garden at Watlington House. The garden is now known as The Geoff Hill Memorial Garden. The restoration work began in 2014 and was completed during 2015/16. The bequest money has now all been spent.

The revaluation reserve consists of the unrealised gain on the revaluation of the freehold investment property.

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 October 2017 £	Income £	Expenditure £	Balance at 30 September 2018 £
Unrestricted funds				
Unrestricted funds	62,151	79,706	(88,800)	53,057
Revaluation reserve	3,500,000	-	-	3,500,000
	<u>3,562,151</u>	<u>79,706</u>	<u>(88,800)</u>	<u>3,573,057</u>

8. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Total funds 2019 £
Investment property	3,500,000	3,500,000
Current assets	86,655	86,655
Creditors due within one year	(1,364)	(1,364)
	<u>3,585,291</u>	<u>3,585,291</u>

WATLINGTON HOUSE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

8. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Total funds 2018 £
Investment property	3,500,000	3,500,000
Current assets	54,401	54,401
Creditors due within one year	(1,344)	(1,344)
	3,553,057	3,553,057

9. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	32,234	(9,094)
Adjustment for:		
Increase/(decrease) in creditors	20	(690)
Net cash provided by/(used in) operating activities	32,254	(9,784)

10. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	86,655	54,401
Total	86,655	54,401

11. RELATED PARTY TRANSACTIONS

During the year, one Trustee received payments totalling £nil (2018: £2,534) for garden maintenance. There were no amounts owed to this Trustee at the year end.

During the year, Berkshire Youth Limited, related by common Trusteeship, paid the charity £11,220 (2018: £13,860) for rent.

During the year, The Mills Archive Trust, related by common Trusteeship, paid the charity £21,691 (2018: £21,691) for rent.

12. CONTROLLING PARTY

The Charity is under joint control of the Trustees, who oversee all administration and operations that the Charity undertakes.