

**WATLINGTON HOUSE**

**UNAUDITED**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

# 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 2020

#### **Trustees**

G Adair  
A M Andrews  
R Bennett, Hon. Secretary  
M Cookson  
Canon B Shenton, 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 2020**

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The Trustees present their Report with the Financial Statements of the Charity for the year ended 30 September 2020. The Trustees confirm that the Annual Report and Financial statements of the Charity comply with 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 (FRS102) (effective 1 January 2016).

#### **CONSTITUTION**

The Charity is controlled by its governing document, a Constitution registered with the Charity Commission on 28 August 2017, and constitutes a Charitable Incorporated Organisation (CIO).

#### **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.

The Charity was successful in its endeavours and by the 30 September 2019 income from Letting and Hall and other hire had risen to £89,058. By 30 September 2020 this figure had dropped to £71,280, as the full effects of the coronavirus pandemic were felt, resulting in restrictions on Hall hire. The charity was not eligible for any government grants relating to the impact of the pandemic during the period April to September 2020. Nevertheless the Trust still posted a small surplus of £464.

Having regard to the pandemic the Trustees have reviewed the risk of proceeding with the re-modelling of the front garden, to bring it back as far as possible to its state prior to the commencement of the 1st World War. This will be a major project for 2020/21 costing £50K. Earley Poors Charity have agreed to make grant of £19K and having reviewed the risk, the Trustees have agreed to proceed.

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.

#### **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 starred 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.

## WATLINGTON HOUSE

### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

On 2 April 2014 the Charity obtained Charity Commission approval to change its constitution. It is now a Charitable Incorporated Organization (CIO). A CIO can acquire land and in July 2016 the Charity acquired the freehold of Watlington House from the National Council for Voluntary Service (NCVO). 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, as at 30 September 2020 amounted to £85,757 (£85,291 as at 30 September 2019). 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 2018/19 the boundary wall was refurbished and further work was done to the House. During the year of this report an extension programme of repairs, maintenance and painting was undertaken to the windows and doors at the rear of the house. As part of this lister building consent was obtained to replace sash windows. In the forthcoming year 2020/21, as already mentioned in the section on Risk Review, the front garden of the House will be re-modelled, so that it reverts closer to its position prior to the 1st World War. With the completion of this project the Trust will have completed its programme of outstanding repair, refurbishment and maintenance issues, while maintaining a healthy bank balance. All this has been achieved in spite of the adverse economic effects of the coronavirus pandemic. The Trustees are confident, therefore, that the Trust can continue to operate as a going concern.

#### TRUSTEE'S RESPONSIBILITIES STATEMENT

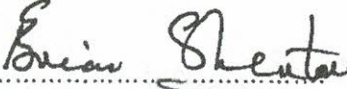
The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- 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 5th July 2021 and signed on their behalf by:

  
.....  
Canon B Shenton, Chairman

## WATLINGTON HOUSE

### INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020

#### 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 2020.

#### 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 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 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.

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:



Alexander Peal

Dated: 22 February 2021

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 2020**

	Note	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>				
Charitable activities	2	71,401	71,401	89,058
<b>Total income</b>		<u>71,401</u>	<u>71,401</u>	<u>89,058</u>
<b>Expenditure on:</b>				
Charitable activities	3	70,935	70,935	56,824
<b>Total expenditure</b>		<u>70,935</u>	<u>70,935</u>	<u>56,824</u>
<b>Net income/(expenditure) before other recognised gains</b>		<u>466</u>	<u>466</u>	<u>32,234</u>
<b>Net movement in funds</b>		<u>466</u>	<u>466</u>	<u>32,234</u>
<b>Reconciliation of funds:</b>				
Total funds brought forward		3,585,291	3,585,291	3,553,057
Net movement in funds		466	466	32,234
<b>Total funds carried forward</b>		<u><u>3,585,757</u></u>	<u><u>3,585,757</u></u>	<u><u>3,585,291</u></u>

The notes on pages 8 to 14 form part of these financial statements.

**WATLINGTON HOUSE**

**BALANCE SHEET  
AS AT 30 SEPTEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investment property	6	3,500,000	3,500,000
<b>Current assets</b>			
Cash at bank and in hand		87,121	86,655
		87,121	86,655
Creditors: amounts falling due within one year	7	(1,364)	(1,364)
		85,757	85,291
<b>Net current assets</b>			
		85,757	85,291
<b>Total net assets</b>		3,585,757	3,585,291
<b>Charity funds</b>			
Restricted funds	8	-	-
Unrestricted funds	8	3,585,757	3,585,291
		3,585,757	3,585,291
<b>Total funds</b>		3,585,757	3,585,291

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

  
 .....  
 Canon B Shenton, Chairman

Date: 5th February 2021.

The notes on pages 8 to 14 form part of these financial statements.



**WATLINGTON HOUSE**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	<b>2020</b>	2019
	£	£
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	<b>466</b>	32,254
	<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>	<b>466</b>	<b>32,254</b>
Cash and cash equivalents at the beginning of the year	<b>86,655</b>	54,401
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<b>87,121</b>	86,655
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 8 to 14 form part of these financial statements

## WATLINGTON HOUSE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and 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 Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Watlington House meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

##### 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. The trustees believe that 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.

##### 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.

## WATLINGTON HOUSE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

#### 1. Accounting policies (continued)

##### 1.5 Expenditure (continued)

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.

##### 1.6 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.

##### 1.7 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.

##### 1.8 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

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>	Total funds 2019 £
Tenant's rent	53,353	<b>53,353</b>	59,051
Hall and other income	18,048	<b>18,048</b>	30,007
	<hr/>	<hr/>	<hr/>
	71,401	<b>71,401</b>	89,058
	<hr/>	<hr/>	<hr/>
Total 2019	89,058	<b>89,058</b>	
	<hr/>	<hr/>	

**WATLINGTON HOUSE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**3. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>	Total funds 2019 £
Direct costs	70,161	<b>70,161</b>	56,100
Governance costs	774	<b>774</b>	724
	<u>70,935</u>	<u><b>70,935</b></u>	<u>56,824</u>
Total 2019	<u>56,824</u>	<u>56,824</u>	

**4. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2020 £</b>	<b>Support costs 2020 £</b>	<b>Total funds 2020 £</b>	Total funds 2019 £
Direct costs	70,161	-	<b>70,161</b>	56,100
Governance costs	-	774	<b>774</b>	724
	<u>70,161</u>	<u>774</u>	<u><b>70,935</b></u>	<u>56,824</u>
Total 2019	<u>56,100</u>	<u>724</u>	<u>56,824</u>	

**WATLINGTON HOUSE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**4. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Activities 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Caretaking	7,440	<b>7,440</b>	7,440
Rates	5,140	<b>5,140</b>	4,885
Insurance	4,790	<b>4,790</b>	4,728
Light and heat	10,471	<b>10,471</b>	7,681
House expenditure	13,860	<b>13,860</b>	7,219
Repairs and maintenance	19,213	<b>19,213</b>	5,483
House improvements	3,546	<b>3,546</b>	14,187
Water	2,683	<b>2,683</b>	1,551
Cleaning	2,735	<b>2,735</b>	2,819
Sundry	283	<b>283</b>	107
	70,161	<b>70,161</b>	56,100
	56,100	56,100	
Total 2019			56,100

**5. Independent examiner's remuneration**

The independent examiner's remuneration amounts to an independent examiner fee of £774 (2019 - £724).

**6. Investment property**

	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 October 2019	<b>3,500,000</b>
At 30 September 2020	<b>3,500,000</b>
	<b>3,500,000</b>

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

**WATLINGTON HOUSE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**7. Creditors: Amounts falling due within one year**

	<b>2020</b>	2019
	£	£
Accruals and deferred income	<b>1,364</b>	1,364
	<u><u>1,364</u></u>	<u><u>1,364</u></u>

**8. Statement of funds**

**Statement of funds - current year**

	Balance at 1 October 2019 £	Income £	Expenditure £	Balance at 30 September 2020 £
<b>Unrestricted funds</b>				
Unrestricted funds	85,291	71,401	(70,935)	85,757
Revaluation reserve	3,500,000	-	-	3,500,000
	<u><u>3,585,291</u></u>	<u><u>71,401</u></u>	<u><u>(70,935)</u></u>	<u><u>3,585,757</u></u>

**Statement of funds - prior year**

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

**WATLINGTON HOUSE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**9. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Investment property	3,500,000	<b>3,500,000</b>
Current assets	87,121	<b>87,121</b>
Creditors due within one year	(1,364)	<b>(1,364)</b>
<b>Total</b>	<b>3,585,757</b>	<b>3,585,757</b>

**Analysis of net assets between funds - prior period**

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

**10. Reconciliation of net movement in funds to net cash flow from operating activities**

Net income/(expenditure) for the year (as per Statement of Financial Activities)	<b>466</b>	32,234
<b>Net cash provided by operating activities</b>	<b>466</b>	32,234

**11. Analysis of cash and cash equivalents**

	<b>2020 £</b>	2019 £
Cash in hand	87,121	86,655
<b>Total cash and cash equivalents</b>	<b>87,121</b>	86,655

## WATLINGTON HOUSE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

#### 12. Analysis of changes in net debt

	At 1 October 2019 £	Cash flows £	At 30 September 2020 £
Cash at bank and in hand	86,655	466	87,121
	<u>86,655</u>	<u>466</u>	<u>87,121</u>

#### 13. Related party transactions

During the year, one trustee received payments totalling £2,631 (2019: £NIL) for garden maintenance.

During the year, Berkshire Youth Limited, related by common Trusteeship, paid the charity £11,880 (2019: £11,220) for rent.

During the year, The Mills Archive Trust, related by common Trusteeship, paid the charity £21,691 (2019: £21,691), for rent.

During the year, Reading Civic Society, related by common Trusteeship, paid the charity £140 (2019: NIL), for hall hire.

#### 14. Controlling party

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