Charity number: 212828

Richard Watts and the City of Rochester Almshouse Charities

Trustees' report and financial statements

for the year ended 31 December 2022

Richard Watts and the City of Rochester Almshouse Charities

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Richard Watts and the City of Rochester Almshouse Charities

Reference and administrative details of the Charity, its Trustees and advisers for the year ended 31 December 2022

Trustees

Michael Robin Bailey
Alex Clarabut
Martin Anthony Cook (resigned 28 February 2022)
Barrie James Fewtrell
Catherine Mary Gore
Shirley Gurteen (appointed 21 July 2022)
Hilary Harwood (resigned 15 December 2022)
Roger Kenneth Hawkes (resigned 19 May 2022)
Liz Janz
Colin McCarthy
Keith Povey
Linda Reay
Peter James Smith
Kamaldeep Tesse

Charity registered number

212828

Principal office

Administrative Offices
Watts Almshouses
Maidstone Road
Rochester
Kent
ME1 1SE

Clerk / Chief officer

Jane Rose (resigned 31 January 2022)
Martin Sissons (appointed 1 April 2022)

Independent auditor

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU

Bankers

Barclays Business Banking
263-265 High Street
Chatham
Kent
ME4 4BZ

Reference and administrative details of the Charity, its Trustees and advisers (continued) for the year ended 31 December 2022

Solicitors

Brachers LLP
Somerfield House
59 London Road
Maidstone
Kent
ME16 8JH

Stockbrokers

Canaccord Genuity Wealth Ltd
41 Lothbury
London
EC2R 7AE

Building Surveyors

Consult Construct Ltd
Gunpowder Works
Off Bysing Wood Road
Faversham
Kent
ME13 7UD

Chartered Valuation Surveyors

Sibley Pares Chartered Surveyors
1 Ashford Road
Maidstone
Kent
ME13 5BJ

Insurance Brokers

Erskine Murray Ltd
MW House
1 Penman Way
Grove Park
Leicester
LE19 1SY

Trustees' report
for the year ended 31 December 2022

The Trustees present their annual report together with the audited financial statements of the Richard Watts and the City of Rochester Almshouse Charities (the "Charity") for the year ended 31 December 2022.

Objectives and activities

a. Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The charity is regulated by a Scheme of the Charity Commissioners (see "Constitution" section on page 7), which provides for the net income, after payment of certain specified expenses, to be applied by the Trustees for the benefit of the residents of the Almshouses or for relief in sickness or in need of persons resident in the area formerly known as the City of Rochester (hereafter called "the City"). A subsequent Charity Commission Scheme dated 23 August 2016 states that "the City" includes those who are resident in postcode areas ME1 and ME2.

There have been no changes in the Charity's objectives since the last annual report.

b. Grant-making policies

The Scheme states that the Charity can only accept applications for funding of projects and grants from within the ME1 and ME2 postcode areas and from those assisting persons resident in these postcode areas.

Achievements and performance

a. Key performance indicators

The Trustees monitor the Charity's performance throughout the year. KPIs have been identified for each of the Board Committees. The following KPIs are reviewed annually:

House and Grants
Achieve at least 95% occupancy of almshouse accommodation
Allocate and spend at least 90% of the Grant Funds.

Estates/Health & Safety
Arrears level to be kept to a minimum – seek speedy settlement of rents owed - achieve at least 95% of all rents due.
Achieve at least 95% occupancy of all commercial and residential properties

Finance & Investment
In the context of the Annual Budget, the Income, Expenditure & the net out-turn to be + or – 10% of projections.
Balance of unrestricted Income Funds to be at least 6 months' running costs (50% budgeted expenditure for the year)
Investment Income to be achieved within + or - 10% of the PIMFA (Personal Investment Management and Financial Advice Association) Income Yield

Remuneration & Staffing
Overtime costs to be no more than 4% of the total wage bill
Staff sickness rates to be less than 5%

Trustee Commitment
Meeting attendance – overall 85% attendance pa
Less than 12.5% turnover (excluding scheduled retirements)

Achievements and performance (continued)

b. Review of activities

The Charities, which have now been in operation in the ME1 and ME2 area of Medway in Kent for almost 450 years, continue to thrive under the governance of a Board of mostly local Trustees.

This year saw the departure of the long-standing Chief Officer and the appointment of Martin Sissons as the first Chief Executive Officer (CEO).

The organisation's specific aims are set out in what is known as the 1977 Scheme which is published in full on the Charity Commission website. The aims and objectives of the organisation remain the same which are to help local people have access to affordable housing when they reach state retirement age and that those in need in the local community are supported either directly or indirectly through other organisations.

The organisation manages 67 Almshouses which are on four different sites in central Rochester. To qualify for the Almshouses applicants need to meet the following criteria

- Be resident in ME1 or ME2 or looking to move back to be closer to family.
- Be of state pensionable age
- Be in good health and be able to live independently.
- Have a low income and have savings below a set amount.
- To not own their own property

In addition, the organisation supports local people through the delivery of a number of different services for those most in need in ME1 and ME2. These include:

- Grants to organisations
- Grants to families and others in need
- Grants to local schools
- A Home Help service

The organisation is going through a modernisation process and as such will be reviewing its service delivery to ensure it is still relevant and needed in the local community. The Board discussed a new 5 year strategy during the year, which was close to finalisation at year end.

Operational Delivery

The operations for the organisation are delegated by the Board to the CEO and their team of staff which include:

- Finance and Estates Manager
- Senior Warden
- Site Manager
- Home Help Service Coordinator
- Grants Administrator

In addition, there are teams of wardens, gardeners, home helps and domestic staff to ensure the smooth running of all services.

Achievements and performance (continued)

Overview

The results for the year show a deficit on unrestricted funds before investment gains of £49,811 and a surplus on endowment funds of £2,086 meaning that there is an overall deficit before investment gains amounting to £47,725 (2021: £1,615 deficit).

Incoming resources increased from £1,198,021 in 2021 to £1,279,976 in 2022. Investment Income increased by £28,825 to £936,842 whilst income from charitable activities increased slightly to £316,624.

Total resources expended increased from £1,199,636 to £1,327,701 in 2022.

At year end the charity's investments comprised investment properties of £13,558,500 and listed investments of £7,511,827.

Losses in the above investments together with the deficit for the year, resulted in a deficit of £1,223,667 to be deducted from total funds brought forward, meaning the total assets at 31 December 2022 were £25,211,148. Endowment funds totalled £23,379,173 (2021 - £24,397,446), designated funds totalled £674,741 (2021 - £713,763) and general funds totalled £1,157,234 (2021 - £1,326,606).

c. Safeguarding

Prioritising safeguarding is fundamental to the way the Charity operates. Whether it is how residents are treated by staff with daily checks on their wellbeing or looking after their long term best interests when they are facing illness, including dementia, or whether it is the attitude of Trustees and the decisions they take when assessing grant applicants or even the way Site staff deal with tenants at rental properties who are experiencing difficulties, safeguarding and protecting people come first. Health and safety permeates every aspect of the organisation.

d. Investment policy and performance

The principal objective is to invest funds for capital growth whilst maintaining income levels sufficient to assist in meeting the expenditure of the Charity and the minimum level of reserves. To assist in the objective, the Board of Trustees appoints advisers upon such terms as deemed appropriate to make recommendations as to the sale and/or purchase of investment holdings. Should the likely income be more than sufficient to meet the above requirements then consideration may be given to investing a proportion of the available funds in more growth orientated funds with a switch back to greater income producing funds should the need arise.

The Trustees regularly review the investment returns and actual income and expenditure against budgets.

Financial review

a. 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.

Trustees' report (continued)
for the year ended 31 December 2022

b. Reserves policy

The 'reserves' of the Charity are the resources that are available to spend on the Charity's purposes once all commitments have been met and planned expenditure covered. They do not include the Endowment or Designated Funds.

The balance of the reserves is maintained in the Unrestricted Income Funds as adjusted for the surplus for the year after transfers. The Charity has a commitment to maintain its properties in good repair, to apply the Charity's income for the benefit of the Almshouse residents and to meet reasonable requests under grant making provisions. To ensure that those commitments may continue to be met should there be a temporary fall in Property and/or Investment Income and/or the need for unplanned expenditure, it is the Trustees' policy that the balance of the Unrestricted Income Funds be maintained between 6 months' and one year's running costs.

Such range is based on past experience and forward financial projections over the next five year period. It is the responsibility of the Finance and Investment Committee to consider that range annually based on the updated five year projections and any agreed development plans and make any appropriate recommendations to the Board of Trustees.

At 31 December 2022 the general reserves amounted to £1,157,234 (see note 19) which is slightly higher than one year's running costs.

Endowment Funds

These comprise the Permanent Endowments of the Charity.

Designated Funds

Cyclical Maintenance Fund
Established under the Charity Commissioner's Scheme to provide for the ordinary maintenance of the Poor Traveller's House and the Almshouses belonging to the Charity.

Extraordinary Repairs Fund
Established compulsorily under the Charity Commissioner's Scheme to provide for the extraordinary repair, improvement or rebuilding of the Poor Traveller's House and the Almshouses.

General Repairs Fund
Established voluntarily under the Charity Commissioner's Scheme to provide for the extraordinary repair, improvement or rebuilding of the property belonging to the charities other than the Almshouses.

Planned Maintenance Fund
Established in 1985 in accordance with provisions in the leases to provide for the maintenance, major repair and refurbishment works to certain properties in the High Street, Chatham. The fund comprises leaseholders' service charge payments.

Memorial Fund
Established voluntarily in 2014, this fund comprises legacies and in memoriam gifts to be applied to projects for the enjoyment of residents and staff.

Financial review (continued)

Poor Travellers' House Fund
This fund comprises donations received at the House which are applied to the acquisition of small items for the House and garden.

Apprenticeship Support Fund
This fund comprises a grant received towards work with apprentices.

Structure, governance and management

a. Constitution

The Charity was originally founded under the will of Richard Watts in 1579. It is regulated by a Scheme of the Charity Commissioners dated 29 November 1977 when the Charities of Richard Watts, Sir John Hayward's Almshouses and St. Catherine's Hospital were grouped for administration purposes. The Charity is linked with the Sir John Hayward and Richard Watts Educational Charities and the William Mantle Trust following an order issued by the Charity Commission in 2015. The Charity Commission amended the Scheme on 23 August 2016 to clarify that any reference to the City of Rochester includes those who are resident in postcode areas ME1 and ME2. Finally, in January 2018, the Charity Commission agreed that those people who wished to return to Rochester to be close to their friends and family in their old age, but who at the time of applying do not themselves live within ME1 or ME2, could be considered.

b. Methods 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 Charity Commission Scheme.

c. Organisational structure and decision-making policies

The organisation had undertaken a governance review in 2019 As a result it reduced the number of meetings Trustees attended each year although the Committee areas of authority remained the same. The Committees which report into the Trustee Board are:

- Estates
- Finance and Investment
- House and Grants
- Remuneration and Staffing

The full list of Trustees is below.

Trustees - Current

- Linda Reay – Chair and Vice Chair of Remuneration ad Staffing
- Peter James Smith – Vice Chair and Chair of Finance and Investment
- Michael Robin Bailey – Chair of Estates
- Alex Clarabut – Vice Chair of Estates
- Catherine Mary Gore – Chair of House and Grants
- Elizabeth Janz – Vice Chair of House and Grants
- Colin McCarthy – Chair of Remuneration and Staffing
- Kamaldeep Tesse
- Barrie James Fewtrell
- Keith Povey - Vice Chair of Finance and Investment
- Shirley Gurteen (appointed 21 July 2022)

Structure, governance and management (continued)

Trustees - Resigned

- Roger Kenneth Hawkes (resigned 19 May 2022)
- Martin Cook (resigned 17 February 2022)
- Hilary Harwood (resigned 15 December 2022)

Each Committee focusses on a specific area of operation for the organisation and advises both the Board and the CEO regarding both major operational and strategic decisions. The organisation also contracts a number of professional advisors to provide expert and relevant advice regarding operations and strategy.

Finance and Investment Committee

This Committee considers all aspects relating to Financial Management including Financial Audit, Investments and Financial Performance. They receive the Annual Audit every year and consider all aspect of finance for the organisation.

The meetings are served by the CEO and attended by relevant staff members and meet on average 4 times per year.

House and Grants Committee

The Committee has no professional advisors supporting it but is served by the CEO and a number of staff are in attendance. The aim of the Committee is to consider applications for support for both accommodation in the Almshouses and applications for support from both local individuals and organisations operating in ME1 and ME2. The Committee meets on average 6 times per year.

The Committee also considers policies relating to residents and support giving and reviews activities carried out by the wardens who support residents, the home help service and 6 Poor Travellers House, a museum based on Rochester High Street dedicated to the life and legacy of Richard Watts.

Estates Committee

The Committee considers aspects of strategic and operational issues affecting the Estate of the organisation which consists of 150 properties. It considers repairs and refurbishment of all properties and the letting of the commercial properties, most of which are within the Medway area. In addition it considers all residential lettings and any issues of concern regarding Estates Management. The meetings are served by the CEO and attended by relevant staff members and meet on average 6 times per year.

Remuneration and Staffing Committee

This Committee is strictly confidential and discusses issues relating to the staff team. Only the CEO and Trustees attend these meetings which consider amongst other things pay awards for staff and the appointment of senior members of the team.

Full Board Committee

The board have complete oversight of the Charity and discuss all governance matters.

d. Policies adopted for the induction and training of Trustees

All Trustees are encouraged to attend training courses and seminars on a regular basis. All Trustees have Trustee Handbooks that they keep up to date with all relevant policies, accounts and other background information about the Charity.

Structure, governance and management (continued)

e. Related party relationships

Trustees regularly "declare an interest" as appropriate and all have completed the questionnaire.

f. Risk management

The Charity's Trustees have given consideration to the major risks to which the Charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks. In order to do this they review annually the major risks and their potential impacts on the way Trustees, supporters or beneficiaries might deal with the Charity. The risks fall into the following categories:

- Governance – from problems recruiting Trustees to adherence to the Scheme
- Operations – from computer systems failure to personal safety
- Finances – from shortfalls in income to insurance cover
- External factors – from adverse publicity to impact of local government policies
- Compliance with law and regulation – from Data Protection to Health & Safety and building compliance

In addition to the above, other issues of Compliance, Risk and Assurance were highlighted and addressed during the year through a dedicated project group including Trustees, External Consultants and Staff. Amongst other outcomes, it helped to identify and establish the following

- A new IT infra structure based on Office 365
- An e-learning platform to address the mandatory training needs of all staff and trustees.
- HR Consultancy Support and Advice
- Health and Safety Consultancy
- The opportunity for Organisational wide Compliance improvements

Plans for future periods

The focus for the coming year will continue to be the management and development of the Charities' property portfolio. Work will continue on refurbishing Almshouse kitchens and bathrooms to ensure that they are more accessible to those residing in them.

Trustees' report (continued)
for the year ended 31 December 2022

Statement of Trustees' responsibilities

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 which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate 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.

Auditor

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

L. Reay

Linda Reay
Chair

Date: 06/07/23

Independent auditor's report to the Trustees of Richard Watts and the City of Rochester Almshouse Charities

Opinion

We have audited the financial statements of Richard Watts and the City of Rochester Almshouse Charities (the 'charity') for the year ended 31 December 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards 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.

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.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Independent auditor's report to the Trustees of Richard Watts and the City of Rochester Almshouse Charities (continued)

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, except to the extent otherwise explicitly stated in our report, 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 Trustees' report is inconsistent in any material respect with the financial statements; 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.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, set out on page 10, the Trustees are responsible for the preparation of financial statements which 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 liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the Trustees of Richard Watts and the City of Rochester Almshouse Charities (continued)

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:

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the charity and the charitable sector generally, and through discussion with the trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, GDPR and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charity SORP 2019 and other charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to fraudulently or erroneously amending income and expenditure levels. Audit procedures performed by the engagement team included:

- Discussions with management and Trustees and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation; and
- Conducting interviews with appropriate personnel to gain further insight into the control systems implemented, and the risk of irregularity; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Physical inspection of tangible assets susceptible to fraud or irregularity; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This

Independent auditor's report to the Trustees of Richard Watts and the City of Rochester Almshouse Charities (continued)

risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Chatham Maritime

Date: 7 July 2023

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

Statement of financial activities
for the year ended 31 December 2022

	Note	Unrestricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:					
Donations and legacies	4	**26,510**	**-**	**26,510**	1,940
Charitable activities	5	**316,624**	**-**	**316,624**	288,064
Investments	6	**924,896**	**11,946**	**936,842**	908,017
Total income and endowments		**1,268,030**	**11,946**	**1,279,976**	1,198,021
Expenditure on:					
Raising funds	7,8	**271,059**	**-**	**271,059**	289,498
Charitable activities		**1,046,782**	**9,860**	**1,056,642**	910,138
Total expenditure		**1,317,841**	**9,860**	**1,327,701**	1,199,636
Net (expenditure)/income before net (losses)/gains on investments		**(49,811)**	**2,086**	**(47,725)**	(1,615)
Net gains/(losses) on investments		**(152,267)**	**(1,023,675)**	**(1,175,942)**	831,392
Net (expenditure)/income		**(202,078)**	**(1,021,589)**	**(1,223,667)**	829,777
Transfers between funds	19	**(3,316)**	**3,316**	**-**	-
Net movement in funds		**(205,394)**	**(1,018,273)**	**(1,223,667)**	829,777
Reconciliation of funds:					
Total funds brought forward		**2,037,369**	**24,397,446**	**26,434,815**	25,605,038
Net movement in funds		**(205,394)**	**(1,018,273)**	**(1,223,667)**	829,777
Total funds carried forward		**1,831,975**	**23,379,173**	**25,211,148**	26,434,815

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

The notes on pages 18 to 37 form part of these financial statements.

Balance sheet
as at 31 December 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible assets	13		**3,476,123**		3,476,123
Investments	15		**7,511,827**		8,883,297
Investment property	14		**13,558,500**		13,558,500
			24,546,450		25,917,920
Current assets					
Debtors	16	**267,493**		181,322	
Cash at bank and in hand	23	**678,131**		722,661	
		945,624		903,983	
Creditors: amounts falling due within one year	17	**(263,815)**		(350,247)	
Net current assets			**681,809**		553,736
Creditors: amounts falling due after more than one year	18		**(17,111)**		(36,841)
Net assets			**25,211,148**		26,434,815
Charity funds					
Endowment funds	19		**23,379,173**		24,397,446
Unrestricted funds	19		**1,831,975**		2,037,369
Total funds			**25,211,148**		26,434,815

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

Linda Reay
Chair

Date: 06/07/23

The notes on pages 18 to 37 form part of these financial statements.

Statement of cash flows
for the year ended 31 December 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	22	**(1,176,900)**	(743,402)
Cash flows from investing activities			
Dividends, interests and rents from investments		**936,842**	908,017
Proceeds from sale of investments		**405,202**	1,218,536
Purchase of investments		**(209,674)**	(1,284,204)
Net cash provided by investing activities		**1,132,370**	842,349
Change in cash and cash equivalents in the year		**(44,530)**	98,947
Cash and cash equivalents at the beginning of the year		**722,661**	623,714
Cash and cash equivalents at the end of the year	23	**678,131**	722,661

The notes on pages 18 to 37 form part of these financial statements

Notes to the financial statements
for the year ended 31 December 2022

1. General information

Richard Watts and the City of Rochester Almshouse Charities is a Charity registered in England. The Charity's registered address is Administrative Offices, Watts Almshouses, Maidstone Road, Rochester, Kent ME1 1SE.

2. Accounting policies

2.1 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.

Richard Watts and the City of Rochester Almshouse Charities 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.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e., whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 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.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2. Accounting policies (continued)

2.4 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 on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Net Gains/(Losses) on investments' in the Statement of financial activities.

2.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.7 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.

2.8 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 in the Statement of financial activities as a finance cost.

2. Accounting policies (continued)

2.9 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.

2.10 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.11 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the Trustees' Report.

Endowment funds comprise the permanent endowments of the Charity.

2.12 Freehold properties - Almshouses

Freehold properties are included at valuation as at 1 January 1973 or 31 December 1977 or at subsequent cost as detailed in note 13 to the financial statements.

Freehold properties are not depreciated. In no case is the estimated useful life of the building less than fifty years and the estimated residual value is likely to be more than the amount at which the properties are carried in the balance sheet. Any depreciation would, therefore, be immaterial and no provision has been made in the financial statements.

2.13 Investment properties

Investment properties are long-term assets, which generate income. They are included at market value in accordance with the Statement of Recommended Practice on accounting by charities. Please see note 14 to the financial statements.

2.14 Furniture and equipment

The cost of furniture and equipment has been charged to the Statement of Financial Activities on acquisition.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Investment properties at Market value

The Charity holds investment property with fair value of £13,558,500 at the year end (see note 14). In order to determine the fair value of investment property the Charity has engaged independent valuation specialists with experience in the location and nature of the property being valued. They have used a valuation technique based on comparable market data. The determined fair value of the investment property is most sensitive to fluctuations in the property market.

Tangible fixed assets - Cost model

The Charity has recognised tangible fixed assets with a carrying value of £3,476,123 at the reporting date (see note 13). These assets are stated at their cost less provision for depreciation and impairment. The Charity's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the Charity determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors such as the expected use of the acquired asset and market conditions. At subsequent reporting dates the Trustees consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the Charity undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the Charity's forecasts for the foreseeable future which do not include any restructuring activities that the Charity is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

4. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	26,510	**26,510**	1,940
Total 2021	1,940	1,940	

5. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Residents' maintenance contributions	284,808	**284,808**	257,633
Home Help income	25,066	**25,066**	21,552
Other income	6,750	**6,750**	8,879
	316,624	**316,624**	288,064
Total 2021	288,064	288,064	

6. Investment income

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
Rents receivable	688,003	-	**688,003**	677,810
Service charges receivable	10,461	-	**10,461**	(12,881)
Income from listed investments	216,480	11,946	**228,426**	234,335
Insurances recoverable	9,952	-	**9,952**	8,753
	924,896	11,946	**936,842**	908,017
Total 2021	896,201	11,816	908,017	

7. Property expenditure

Costs of raising voluntary income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Commercial property repairs and maintenance	42,418	**42,418**	58,641
Residential property repairs and maintenance	73,264	**73,264**	60,513
Voids expenditure	27,261	**27,261**	26,415
Rent payable	1,471	**1,471**	1,471
Insurances	18,386	**18,386**	16,461
Land and estate agents	22,397	**22,397**	24,737
Solicitors	13,413	**13,413**	25,563
Surveyors	29,341	**29,341**	10,632
Bad debts	16,828	**16,828**	30,775
Sundry expenses	43	**43**	72
Consultancy	998	**998**	-
	245,820	**245,820**	255,280
Total 2021	255,280	255,280	

8. Investment management costs

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Stockbroker's fees	25,239	**25,239**	34,218
Total 2021	34,218	34,218	

9. Analysis of grants

	Grants to Institutions 2022 £	Grants to Individuals 2022 £	Total funds 2022 £	Total funds 2021 £
Grants payable	60,417	7,221	**67,638**	37,825
Total 2021	32,405	5,420	37,825	

10. Analysis of expenditure by activities

	Direct costs 2022 £	Grants payable (note 9) 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Almshouse	594,989	67,638	307,963	**970,590**	833,621
Outpensions	27,915	-	-	**27,915**	31,670
Home Help	32,353	-	-	**32,353**	24,849
Poor Traveller's House	25,784	-	-	**25,784**	19,998
	681,041	67,638	307,963	**1,056,642**	910,138
Total 2021	586,550	37,825	285,763	910,138	

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Almshouse 2022 £	Out-pensions 2022 £	Home Help 2022 £	Poor Traveller's House 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	248,065	-	32,078	8,387	**288,530**	269,045
General and water rates	13,320	-	-	1,497	**14,817**	15,273
Insurances	16,490	-	-	1,181	**17,671**	16,003
Oil, gas and electricity	65,600	-	-	870	**66,470**	52,749
Repairs, maintenance and cleaning	178,794	-	-	11,956	**190,750**	123,488
Garden upkeep	11,157	-	-	-	**11,157**	7,376
Telephone	2,015	-	-	510	**2,525**	1,909
Sundry expenses	13,123	-	275	1,383	**14,781**	16,148
Outpensions	-	27,915	-	-	**27,915**	31,670
Health and safety	46,425	-	-	-	**46,425**	52,889
	594,989	27,915	32,353	25,784	**681,041**	586,550
Total 2021	510,033	31,670	24,849	19,998	586,550	

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	**218,626**	214,995
Printing, stationery and advertising	**6,467**	5,500
General and water rates	**283**	1,254
Telephone	**2,973**	2,169
Oil, gas and electricity	**3,053**	2,286
Insurance	**16,963**	15,323
Furniture	**900**	277
Repairs	**5,810**	2,419
Office machinery	**9,228**	8,270
Pensions to former employees	**-**	617
Legal and professional fees	**16,932**	9,127
Sundry expenses	**4,539**	1,271
Computer equipment	**10,007**	9,584
Health and safety	**110**	953
Auditors' remuneration	**9,054**	8,788
Auditors' remuneration - non audit	**3,018**	2,930
	307,963	285,763

11. Staff costs

	2022 £	2021 £
Wages and salaries	**435,233**	417,185
Social security costs	**29,763**	31,323
Other pension costs	**42,160**	35,532
	507,156	484,040

The average number of persons employed by the Charity during the year was as follows:

2022 No.	2021 No.
25	26

The average headcount expressed as full-time equivalents was:

2022 No.	2021 No.
15	17

No employee received remuneration amounting to more than £60,000 in either year.

During the year, the five (2021 - four) key management personnel received remuneration and benefits, including employer's national insurance contributions, of £172,945 (2021 - £182,441).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 December 2022, no Trustee expenses have been incurred (2021 - £NIL).

13. Tangible fixed assets

	Freehold property £
Cost or valuation	
At 1 January 2022	**3,476,123**
At 31 December 2022	**3,476,123**
Net book value	
At 31 December 2022	**3,476,123**
At 31 December 2021	3,476,123

Cost and valuation figures include valuations made by the Clerk to the Trustees as at 1 January 1973 and 31 December 1977. The valuation at 1 January 1973 revalued all properties held at that date (£103,200) and the valuation at 31 December 1977 comprised the properties held within Sir John Hayward's Almshouses and St Catherine's Hospital following the amalgamation of the Charities on 29 November 1977 (£130,000). The balance of £3,242,923 comprises subsequent additions at cost.

14. Investment property

	Freehold investment property £
Valuation	
At 1 January 2022	**13,558,500**
At 31 December 2022	**13,558,500**

The investment properties were valued in 2020 by an independent firm of Chartered Surveyors on an open market value for existing use basis. The Trustees are satisfied that the valuation remains relevant and free from material misstatement.

15. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2022	**8,883,300**
Additions	**209,674**
Disposals	**(434,296)**
Revaluations	**(1,146,851)**
At 31 December 2022	**7,511,827**
Net book value	
At 31 December 2022	**7,511,827**
At 31 December 2021	8,883,300

16. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	**60,091**	52,059
Other debtors	**218**	50
Prepayments and accrued income	**163,769**	104,566
Insurance recoverable	**43,415**	24,647
	267,493	181,322

17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	**9,445**	14,907
Other taxation and social security	**4,652**	4,584
Other creditors	**-**	109,589
Accruals and deferred income	**249,718**	221,167
	263,815	350,247

Deferred income at 1 January 2022	**140,266**	173,013
Income deferred during the year	**120,621**	119,849
Amounts released from previous periods	**(119,349)**	(152,596)
Deferred income at 31 December 2022	**141,538**	140,266

18. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Other creditors	**17,111**	36,841

Notes to the financial statements
for the year ended 31 December 2022

19. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
Designated funds						
Cyclical Maintenance Fund	60,450	-	-	5,500	-	65,950
Extraordinary Repairs Fund	169,565	-	-	(22,015)	1,296	148,846
General Repairs Fund	273,756	8,912	-	-	(7,232)	275,436
Planned Maintenance Fund	141,815	10,461	(13,774)	(17,896)	-	120,606
Memorial Fund	58,513	-	(1,000)	-	-	57,513
Poor Travellers House Fund	3,451	-	(3,000)	-	-	451
Apprenticeship Support Fund	6,213	-	(274)	-	-	5,939
	713,763	19,373	(18,048)	(34,411)	(5,936)	674,741
General funds						
General Income Fund	1,323,606	1,248,657	(1,299,793)	31,095	(146,331)	1,157,234
Total Unrestricted funds	2,037,369	1,268,030	(1,317,841)	(3,316)	(152,267)	1,831,975

19. Statement of funds (continued)

Endowment funds						
Richard Watts	22,852,641	-	-	-	(996,734)	21,855,907
Chatham Intra	1,626	-	-	-	(51)	1,575
Sir John Hayward's Charitable Fund	594,147	-	-	-	(197)	593,950
St Catherine's Hospital	652,184	-	-	-	(5,327)	646,857
Sir John Hayward's Educational Charity	29,747	635	(200)	51	(4,433)	25,800
William Mantle Trust	267,101	11,311	(9,660)	3,265	(16,933)	255,084
	24,397,446	11,946	(9,860)	3,316	(1,023,675)	23,379,173
Total of funds	26,434,815	1,279,976	(1,327,701)	-	(1,175,942)	25,211,148

Notes to the financial statements
for the year ended 31 December 2022

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Designated funds						
Cyclical Maintenance Fund	45,450	-	-	15,000	-	60,450
Extraordinary Repairs Fund	99,471	-	(273)	50,000	20,367	169,565
General Repairs Fund	232,611	7,846	-	15,000	18,299	273,756
Planned Maintenance Fund	132,667	(12,881)	(10,957)	32,986	-	141,815
Memorial Fund	54,612	-	-	3,901	-	58,513
Poor Travellers House Fund	4,436	-	-	(985)	-	3,451
Apprenticeship Support Fund	6,213	-	-	-	-	6,213
	575,460	(5,035)	(11,230)	115,902	38,666	713,763
General funds						
General Income Fund	1,313,300	1,191,240	(1,178,741)	(115,535)	113,342	1,323,606
Total Unrestricted funds	1,888,760	1,186,205	(1,189,971)	367	152,008	2,037,369

Notes to the financial statements
for the year ended 31 December 2022

19. Statement of funds (continued)

Endowment funds						
Richard Watts	22,210,947	-	-	-	641,694	22,852,641
Chatham Intra	1,492	-	-	-	134	1,626
Sir John Hayward's Charitable Fund	593,625	-	-	-	522	594,147
St Catherine's Hospital	638,061	-	-	-	14,123	652,184
Sir John Hayward's Educational Charity	28,430	607	(200)	333	577	29,747
William Mantle Trust	243,723	11,209	(9,465)	(700)	22,334	267,101
	23,716,278	11,816	(9,665)	(367)	679,384	24,397,446
Total of funds	25,605,038	1,198,021	(1,199,636)	-	831,392	26,434,815

20. Summary of funds

Summary of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
Designated funds	**713,763**	**19,373**	**(18,048)**	**(34,411)**	**(5,936)**	**674,741**
General funds	**1,323,606**	**1,248,657**	**(1,299,793)**	**31,095**	**(146,331)**	**1,157,234**
Endowment funds	**24,397,446**	**11,946**	**(9,860)**	**3,316**	**(1,023,675)**	**23,379,173**
	26,434,815	**1,279,976**	**(1,327,701)**	**-**	**(1,175,942)**	**25,211,148**

Summary of funds - prior year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Designated funds	575,460	(5,035)	(11,230)	115,902	38,666	713,763
General funds	1,313,300	1,191,240	(1,178,741)	(115,535)	113,342	1,323,606
Endowment funds	23,716,278	11,816	(9,665)	(367)	679,384	24,397,446
	25,605,038	1,198,021	(1,199,636)	-	831,392	26,434,815

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	3,476,123	**3,476,123**
Fixed asset investments	1,221,935	6,289,892	**7,511,827**
Investment property	-	13,558,500	**13,558,500**
Current assets	890,966	54,658	**945,624**
Creditors due within one year	(263,815)	-	**(263,815)**
Creditors due in more than one year	(17,111)	-	**(17,111)**
Total	1,831,975	23,379,173	**25,211,148**

21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	3,476,123	3,476,123
Fixed asset investments	1,569,732	7,313,565	8,883,297
Investment property	-	13,558,500	13,558,500
Current assets	854,725	49,258	903,983
Creditors due within one year	(350,247)	-	(350,247)
Creditors due in more than one year	(36,841)	-	(36,841)
Total	2,037,369	24,397,446	26,434,815

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

	2022 £	2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	**(1,223,66**	829,777
Adjustments for:		
Gains/(losses) on investments	**1,175,942**	(831,392)
Dividends, interest and rents from investments	**(936,842)**	(908,017)
Decrease/(increase) in debtors	**(86,171)**	91,050
Increase/(decrease) in creditors	**(106,162)**	75,180
Net cash used in operating activities	**(1,176,900)**	(743,402)

23. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	**678,131**	722,661

24. Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	**722,661**	**(44,530)**	**678,131**

25. Operating lease commitments

At 31 December 2022 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	**976**	976
Later than 1 year and not later than 5 years	**1,708**	2,684
	2,684	3,660

26. Related party transactions

During the year the Charity paid a grant of £100 (2021 - £100) to Sir Joseph Williamson's Charitable Trust, of which Mrs H Harwood served as a trustee before resigning from both towards the year end. There were no amounts outstanding at the balance sheet date (2021 - £Nil).

During the year the Charity paid a grant of £100 (2021 - £100) to Rochester Grammar School for Girls Charity, of which Mr M Bailey is also a trustee. There were no amounts outstanding at the balance sheet date (2021 - £Nil).

During the year the Charity paid a grant of £320 (2021 - £Nil) to Kent Nursing Institute, of which Mrs C Gore is also a trustee. There were no amounts outstanding at the balance sheet date (2021 - £Nil).