

# HIGHLANDS COTTAGE CHARITY

(Registered No 1012785)

Registered address – Follifoot House, Amberley, Stroud, GL5 5AG

## TRUSTEES THIRTIETH ANNUAL REPORT 2020/2021

### 1. Introduction.

- (a) **Governing Document:** The Charity was founded in 1992 by Miss Mary Layard White, formerly of Highlands Cottage, Pinfarthings, Amberley. The Trust Deed was completed on 27<sup>th</sup> April 1992 and made between Mary Layard White, James Albert Meadows, Anne Elisabeth Seymour, Anne de Halpert and Peter Duff Abbott Hankins. A supplemental Trust Deed was entered into on the 10<sup>th</sup> November 2016 and made between the continuing Trustees, namely: Peter Duff Abbott Hankins, Vivian Leivers, Roger Jeffrey Bush, Richard James William Wood, Susan Jane Page, Beryl Anne Phillips and Michael John Bullock.
- (b) **Names of the current Trustees:** Peter Duff Abbott Hankins, Vivian Leivers, Roger Jeffrey Bush, Richard James William Wood, Susan Jane Page, Beryl Anne Phillips and Sandra Jane Lampard
- (c) **Names and addresses of advisers to the Charity:**
1. Independent Examiner: Mrs Sarah Goodwin, Chartered Tax Advisor, Amber Hill, Amberley, Stroud, GL5 5AN.
  2. Solicitors: WSP Solicitors, 3/7 Rowcroft, Stroud, GL5 3BJ and Willans LLP, 28 Imperial Square, Cheltenham. GL50 1RH
  3. Bankers: Lloyds Bank, 12 Rowcroft, Stroud, GL5 3BD
  4. Managing Agents: Bennett Jones Partnership, 31 Parsonage Street, Dursley, GL11 4BW
  5. Architect: Chris Stone, Quadra, Nethercourt, Hyde, Stroud. GL6 8NZ

### 2 Charitable Objects.

The income of the said Trust Fund and such of the property as the Trustees shall direct, shall be used for charitable purposes for the benefit of the inhabitants of the Parish of Amberley and the contiguous parishes thereof, including but not confined to the following purposes:

- (1) The provision of a house or other suitable accommodation for a Minister or Curate of the Church of England or other paid Church worker in the Parish
- (2) The provision of a house or other suitable accommodation for the poor and/r needy in the Parish and the contiguous parishes. "Needy" shall mean those in need by reason of youth, age, ill-health, disability, financial or other disadvantage.
- (3) The provision of a house or other suitable accommodation for an employee of Amberley Parochial Church School or any other educational establishment in the Parish.

In administering the charity, the Trustees have given careful consideration to the Charity Commission's general guidance on Public Benefit and consider the Charity is fulfilling its objects and public benefit requirement by providing subsidised housing to people in need in the Parish of Amberley and its contiguous Parishes.

### 3 Accounting Principles.

In accordance with the Charity Commissioners guidelines, the treasurer has adopted the following principles:

- (1) Best use of expendable funds, continuing to maintain all its property and fixtures to a reasonable standard.

- (2) The rental income is paid to Lloyds Bank monthly and the sums are transferred between Lloyds Bank Investment Accounts (when available) and/or into COIF Charities Deposit Fund thereby gaining the benefit of the best available interest rates

#### **4 Investment Policy.**

- (a) The Trustees continue to consider that the yields on investments, represented by the rental income at rates advised by the Managing Agent and the Council Rent Office, are reasonable and are periodically reviewed and increased in line with inflation. See also note 7 (c).
- (b) During the current year the Trustees continue to invest in COIF Charity Accounts. However, they have not continued to make short term investments with Lloyds Bank where the minimum investment, albeit for a defined short period of time, would leave insufficient funds to meet any major unexpected cost.
- (c) The Trustees believe that the investment accounts are well managed.

#### **5 Permanent Endowments.**

There have been no changes during the current year

#### **6 Trustees.**

- (a) The Trustees are all appointed in accordance with the Governing Trust Instruments.
- (b) Vesting of Assets. The properties known as New Lodge, Little Lodge and Blackwell Cottage remain vested as heretofore. The Chairman and the Treasurer hold the Investment Funds.
- (c) The Trustees have met formally throughout the year. The general maintenance of the properties is constantly under review and an ongoing plan of maintenance / repair is in place.
- (d) Mrs Sarah Goodwin continues to hold the appointment as Accountant / Independent Examiner. The Accounts up to 31 July 2021 are included with this report.

#### **7 Activities**

This year the Trustees have continued to seek to maintain reserves whilst at the same time to support a pro-active programme of repairs and improvements to all properties; in addition, a programme of significant renovation to the windows at New Lodge has begun which will protect against potential internal damage to the property.

##### **(a) New Lodge**

###### **- Window refurbishment project**

- £16,362 has been spent this year to complete Phase 1 of the project, which includes all the windows in Flat 1. A further £19,500 is budgeted for the year to July 2022, for Phases 2 and 3 of the project, which includes works that have been delayed because access to flats has been limited during Covid restrictions.
- A budget of £4,400 continues to be carried forward for works on hold for rear landscaping, improved lighting and internal carpets, in addition to £1500 for insulation to sloping roofs
  - All other small expenditure has been met within the monthly repairs budget

##### **Blackwell Cottage**

- Expenditure has been met within the monthly repairs budget with a single larger amount of £500 spent for a replacement cooker

- A budget of £1,000 has been carried forward for wet flooring in the bathroom

#### **Little Lodge**

- All small expenditure has been met within the monthly repairs budget, with a larger payment of £640 made for external paint work and repairs to a hole in the living room ceiling

#### **(b) Managing Agents**

The Trustees have continued to contract the responsibility of Property Management to a local company, Bennett Jones Partnership of Dursley. This has proved to be particularly successful and necessary repairs are being carried out with the minimum of delay. The Trustees continue to maintain the principle of requiring the managing agents to use local trades people where practicable.

#### **(c) Rent Review**

The Trustees strive to ensure that rents set for the Charity's properties reflect the Objects of the Charity. All staged increases in a previous rent review applied in August 19 have been completed. A 2% + CPI increase was applied in January 21, which has been accepted by all tenants with no difficulty being reported by any tenant. The tenant in Flat 1 continues to pay a standing order and a top up cheque until they feel comfortable to go to the bank to change the standing order.

#### **(d) Tenancy Agreements**

Following on from the review of the Trust Document last year the Trustees considered a need to review the tenancy agreements in place. This will seek to ensure that each tenant is treated fairly and equally, considering changes in legislation in respect of the duties of Landlords and issues arising from Health and Safety and the recently introduced General Data Protection Regulation.

#### **(e) Charitable Incorporated Organisation**

In order to facilitate management of the Charity for the future, the Trustees have begun the process of establishing a Charitable Incorporated Organisation (CIO) which will take over the activities, assets and liabilities of the existing Charity. It is anticipated that this will occur during the next year.

#### **(f) General Data Protection Regulation**

During the year the new approach to handling personal data has come into force under the title of General Data Protection Regulation. Whilst a minimal amount of personal data is stored electronically the Trust does retain data in paper files. During the coming year it is intended to update the policy on GDPR, introduce a new privacy statement and involve tenants in the information that is retained.

#### **(g) Deposit Protection Scheme**

At the commencement of a new tenancy the tenant pays a deposit, against possible breakages or damage to the property, determined by the monthly rental. The Trustees place these funds in the nationally approved Deposit Protection Service where they are protected and outside the current account and investment funds held by the Trust. Currently, £2,191 is held on deposit received from the tenants.

#### **8 Risk Review.**

The Trustees frequently review the possible risks to which the charity is exposed and believe that these are covered by relevant procedures and cash reserves.

## 9 Reserves and financial management

The HCC have established the following financial reserves policy:

- To maintain a reserve calculated as 70% of the average annual expenditure over the previous three years (not including major costs of rebuilding and roofing, or mortgage commitments) to meet the challenge of a disrupted income supply
- To maintain a reserve calculated as 100% of the required annual expenditure on mortgage commitments in the event of a disrupted income supply
- To maintain a sum not less than £5,000 to meet support for tenants unable to remain in one of the Charity properties due to fire, flood, major repairs etc.

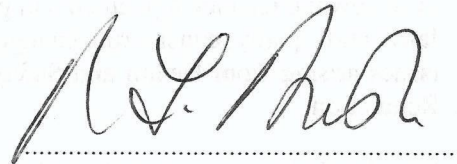
The Trustees calculate that £22,000 is currently needed to meet this policy and there are sufficient funds within HCC to support this figure.

As part of their financial management, HCC have undertaken to

- Include in their annual budget a provision for unplanned expenditure equal to 25% of the figure budgeted specifically for repairs.
- Ensure the proper level of insurance is held to mitigate the effect of loss of rent, damage to property and Trustee liability.

Sandra Lampard  
Honorary Treasurer  
Highlands Cottage Charity

Roger Bush  
Chairman  
Highlands Cottage Charity



Date 18th November 2020

## Independent examiner's report to the Trustees of Highlands Cottage Charity

I report on the accounts of Highlands Cottage Charity (The Trust) for the year ended 31 July 2021, which are set out on pages 6 to 9.

### Responsibilities and basis of the report

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

I report in respect of my examination of the Trust'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 Act.

### Independent examiner's statement

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

1. accounting records were not kept in respect of the Trust as required by section 130 of the 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.



Sarah M Goodwin

18 November 2021

Chartered Tax Advisor  
Amber Hill, Amberley, Glos.

## HIGHLANDS COTTAGE CHARITY

### STATEMENT OF FINANCIAL ACTIVITIES: YEAR ENDED 31ST JULY 2021

	Note	Unrestricted Funds £	Designated Funds £	Total Funds 2021 £	Total Funds 2020 £
<b>Income</b>					
Rents and licence fees		36,444	-	36,444	35,256
Other income - donations		-	465	465	-
Bank and other interest		5	-	5	105
<b>Total Income</b>		<u>36,449</u>	<u>465</u>	<u>36,914</u>	<u>35,361</u>
<b>Expenditure</b>	2	<u>27,521</u>	<u>-</u>	<u>27,521</u>	<u>20,102</u>
Net Income/(Expenditure) for the year		8,929	465	9,394	15,259
Balances brought forward at 1 August 2020		240,116	5,000	245,116	229,857
Transfer between funds		-	-	-	-
<b>Balances carried forward at 31 July 2021</b>		<u>249,045</u>	<u>5,465</u>	<u>254,510</u>	<u>245,116</u>

The notes on pages 8 and 9 form part of these accounts.

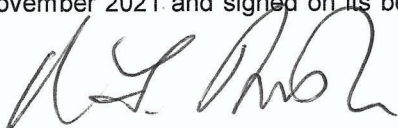
## HIGHLANDS COTTAGE CHARITY

### BALANCE SHEET AT 31ST JULY 2021

	Note	£	2021 £	£	2020 £
<b>Fixed Assets</b>					
Freehold property					
New Lodge and Little Lodge, at cost			413,882		413,882
			<u>-</u>		<u>-</u>
			413,882		413,882
Blackwell Cottage			<u>72,914</u>		<u>72,914</u>
			486,796		486,796
<b>Tangible fixed assets - Furnishings and equipment</b>					
Cost b/f	1	9,646		9,712	
: additions		499		599	
: disposals		<u>(400)</u>		<u>(665)</u>	
		9,745		9,646	
Depreciation b/f		8,687		8,985	
: on disposals		<u>(400)</u>		<u>(618)</u>	
: charge for year		364		320	
		<u>8,651</u>		<u>8,687</u>	
			1,094		959
			<u>487,890</u>		<u>487,755</u>
<b>Current Assets</b>					
Debtors and prepayments	3	-		-	
COIF Charities Deposit Fund		21,367		21,362	
Lloyds TSB account		<u>27,716</u>		<u>22,892</u>	
		49,083		44,253	
<b>Liabilities</b>					
Amounts falling due within one year	4	4,911		4,527	
		<u>4,911</u>		<u>4,527</u>	
<b>Net Current Assets</b>			44,172		39,726
<b>Net Assets</b>			<u>532,062</u>		<u>527,481</u>
<b>Long term liabilities</b>	5		74,464		79,277
			<u>457,598</u>		<u>448,204</u>
<b>Funds</b>					
	8,9				
Endowment			203,088		203,088
Designated			5,465		5,000
Unrestricted			<u>249,045</u>		<u>240,116</u>
			<u>457,598</u>		<u>448,204</u>

Approved by the Trustees on 18 November 2021 and signed on its behalf by

Roger Bush, Chairman



The notes on pages 8 and 9 form part of these accounts.

# HIGHLANDS COTTAGE CHARITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST JULY 2021

### 1. Accounting Policies

- a) These financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards, The Charities Act 2011 and the Charities SORP (FRS102)
- b) The accruals basis of accounting is used for income and expenditure.
- c) Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty.
- d) Depreciation is calculated to write off the cost, less estimated residual values, of tangible fixed assets over their estimated useful lives to the scheme. Since 1996, furniture and equipment has been depreciated at 25% pa on the reducing balance method; prior to 1996 such expenditure was written off in the year of purchase. No depreciation is provided on freehold buildings because in the Trustees opinion the real (inflation adjusted) estimated residual value is not less than the carrying value in the accounts.

### 2. Expenditure

	2021	2020
Property insurance	1,180	1,168
Property surveyor and agent	2,520	2,520
Repairs and maintenance	19,352	12,844
Professional fees re tenant leases	-	-
Legal fees general	1,376	-
Trustee Indemnity insurance	327	232
Mortgage interest	2,127	2,696
Bank charges	-	-
Bank interest	-	-
Administration expenses	-	-
Loss on scrapped equipment	-	47
Sundries	-	-
Independent Examiner's fee	275	275
Depreciation of furnishings, equipment	364	320
	<u>27,521</u>	<u>20,102</u>

### 3. Debtors

	2021	2020
Trade debtors	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

## HIGHLANDS COTTAGE CHARITY

### 4. Liabilities: Amounts falling due within one year

	2021	2020
Creditors	60	-
Accruals	275	275
Repayment due on mortgage - see note 5	4,576	4,252
	4,911	4,527

Work on a major window renovation project at Flat 1 New Lodge was completed. Work on the windows of Flat 2 and Flat 3 is anticipated during the next year, for which £19,500 has been budgeted.

### 5. Long term liabilities

A 25 year mortgage of £155,000 was obtained from Lloyds Bank in order to fund the development of the Old Cart Shed, in the grounds of New Lodge, completed in February 2011 and now, as Little Lodge, let out as residential accommodation. The mortgage is secured on another property owned by the charity, Blackwell Cottage

### 6. Employees' remuneration

There were no employees during the year

### 7. Trustees' remuneration and expenses

No trustee received any remuneration or reimbursement of expenses during the year. The trustees were advised that the charity should take out trustee indemnity insurance; this cost £327.

### 8. Designated and restricted Funds

	Balance 1.8.20	Movement in Resources	Balance 31.7.21
		Incoming	Outgoing
<u>Designated Funds</u>			
Contingency Fund	5,000	-	5,000
AE Pash Charitable Trust donation	-	465	465
	5,000	465	5,465

There are no restricted funds held by the Charity.

The Contingency Fund reflects the Trustees' policy of retaining £5,000 to meet support for tenants unable to remain in one of the properties due to fire, flood, major repairs etc.

The Trustees propose to use the donation from the AE Pash Charitable Trust, received on the winding up of that Trust, for a specified purpose, to be determined.

### 9. Analysis of net assets between funds as at 31 July 2021

	Fixed Assets	Net Current Assets	Long term liabilities	Total 2021	Total 2020
<u>Endowment Fund</u>	203,088	-	-	203,088	203,088
<u>Designated Funds</u>	-	5,465	-	5,465	5,000
<u>Unrestricted Funds</u>	284,802	38,707	(74,464)	249,045	240,116
	487,890	44,172	(74,464)	457,598	448,204