

# HIGHLANDS COTTAGE CHARITY

(Registered No 1012785)

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

## TRUSTEES THIRTY-SECOND ANNUAL REPORT 2022/2023

### 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 10th 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 Penny Loe, Chartered Accountant, Edgecombe, Amberley, GL5 5AB
  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/or 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 considered 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) The Accounts, drawn up by our Independent Examiner, for the year to 31 July 2023 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, significant refurbishment of Flat 1, New Lodge has been undertaken to prepare the property for the start of a new tenancy and new tenants.

##### (a) New Lodge

###### - Flat 1

The flat has been redecorated throughout at a cost of £5,350 with £2,800 spent on carpets, a further £750 on garden clearance, £440 on cleaning and £700 on electrical and plumbing repairs. The cost of utilities to the charity in the absence of a tenant for this flat for a year was £2,260 and the advice of our solicitors with respect to the new tenancy amounted to £2,000, a total of £14,300. The flat was not tenanted until July so our income was reduced by approximately £11,000.

###### - Flat 2

The repairs and refurbishment of the bathroom were completed under budget at a cost of £5730.

###### Flat 3

- There have been no significant costs associated with Flat 3 this year.
- £3,400 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. £5000 is being carried forward for the refurbishment of the kitchen in Flat 2, which is on hold.
- All other small expenditure has been met within the monthly repairs budget.

### **Blackwell Cottage**

- Larger items of expenditure this year include £336 to fell a conifer and £385 to replace the bathroom shower and smaller items met within the monthly repairs budget.
- A budget of £1,000 has been carried forward for wet flooring in the bathroom.

### **Little Lodge**

- The water pump was replaced at a cost of £700 and the fan on the boiler was replaced also at a cost of £300 with smaller items met within the monthly repairs budget.

### **(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. With the agreement of the Trustees they have increased their monthly fee in April this year to £300 after retaining it at £210 since July 2016.

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

The Trustees strive to ensure that rents set for the Charity's properties reflect the Objects of the Charity. It was decided this year to increase rents in August by 2% plus CPI and these increases have been accepted by all tenants.

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

Following on from the review of the Trust Document 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. This year Willans solicitors have provided advice on equality and discrimination and preparation of a precedent assured shorthold tenancy.

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

To facilitate management of the Charity for the future, the process of establishing a Charitable Incorporated Organisation (CIO) continues. The CIO will take over the activities, assets, and liabilities of the existing Charity. The CIO has not yet been established due to issues in communication within and with Lloyds bank. It is hoped that these have now been resolved and the process will be completed within the coming 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, £3,011 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:

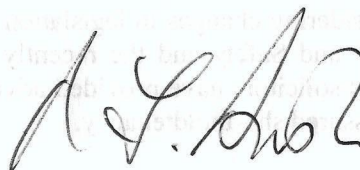
- To maintain a reserve calculated as 70% of the average annual expenditure over the previous three years (not including major costs of rebuilding and roofing, or mortgage commitments) to meet the challenge of a disrupted income supply
  - To maintain a reserve calculated as 100% of the required annual 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



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Date 9th November 2023

## 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 2023, 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.



Penny Loe  
PS Loe & Co

Chartered Accountant  
Edgecombe, Amberley, Stroud

1 November 2023

## HIGHLANDS COTTAGE CHARITY

### STATEMENT OF FINANCIAL ACTIVITIES: YEAR ENDED 31ST JULY 2023

	Note	<u>Unrestricted</u> <u>Funds</u> £	<u>Designated</u> <u>Funds</u> £	<u>Total Funds</u> <u>2023</u> £	<u>Total Funds</u> <u>2022</u> £
<b>Income</b>					
Rents and licence fees		30,256	-	30,256	38,424
Other income - compensation		105	-	105	-
Bank and other interest		632	-	632	55
<b>Total Income</b>		<u>30,993</u>	<u>-</u>	<u>30,993</u>	<u>38,479</u>
<b>Expenditure</b>	2	<u>36,710</u>	<u>-</u>	<u>36,710</u>	<u>32,834</u>
Net Income/(Expenditure) for the year		(5,717)	-	(5,717)	5,645
Balances brought forward at 1 August 2022		254,690	5,465	260,155	254,510
Transfer between funds		-	-	-	-
<b>Balances carried forward at 31 July 2023</b>		<u>248,973</u>	<u>5,465</u>	<u>254,438</u>	<u>260,155</u>

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


## HIGHLANDS COTTAGE CHARITY

### BALANCE SHEET AT 31ST JULY 2023

	Note	2023		2022	
		£	£	£	£
<b>Fixed Assets</b>					
Freehold property					
New Lodge and Little Lodge, at cost		413,882	-	413,882	-
		<u>413,882</u>	<u>-</u>	<u>413,882</u>	<u>-</u>
Blackwell Cottage		72,914	-	72,914	-
		<u>486,796</u>	<u>-</u>	<u>486,796</u>	<u>-</u>
<b>Tangible fixed assets - Furnishings and equipment</b>					
Cost b/f	1	10,094	9,745		
: additions		-	349		
		<u>10,094</u>	<u>10,094</u>		
Depreciation b/f		9,012	8,651		
: charge for year		271	361		
		<u>9,283</u>	<u>9,012</u>		
		811	1,082		
		<u>487,607</u>	<u>487,878</u>		
<b>Current Assets</b>					
Debtors and prepayments	3	-	-		
COIF Charities Deposit Fund		22,054	21,422		
Lloyds account		18,807	40,285		
		<u>40,861</u>	<u>61,707</u>		
<b>Liabilities</b>					
Amounts falling due within one year	4	4,002	16,664		
		<u>4,002</u>	<u>16,664</u>		
<b>Net Current Assets</b>		36,859	45,044		
<b>Net Assets</b>		<u>524,466</u>	<u>532,922</u>		
<b>Long term liabilities</b>					
	5	66,940	69,679		
		<u>457,526</u>	<u>463,243</u>		
<b>Funds</b>					
Endowment	8,9	203,088	203,088		
Designated		5,465	5,465		
Unrestricted		248,973	254,690		
		<u>457,526</u>	<u>463,243</u>		

Approved by the Trustees on 1 November 2023 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 2023

#### 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

	<u>2023</u>	<u>2022</u>
Property insurance	1,541	1,348
Property surveyor and agent	3,354	2,520
Repairs and maintenance	19,241	23,544
Utility bills when property vacant	2,261	-
Legal fees general	4,926	1,822
Trustee Indemnity insurance	564	513
Mortgage interest	4,155	2,256
Sundries	36	170
Independent Examiner's fee	360	300
Depreciation of furnishings, equipment	271	361
	<u>36,710</u>	<u>32,834</u>

#### 3. Debtors

	<u>2023</u>	<u>2022</u>
Trade debtors	-	-
	<u>-</u>	<u>-</u>

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

	<u>2023</u>	<u>2022</u>
Creditors	-	11,527
Accruals	360	300
Repayment due on mortgage - see note 5	3,642	4,837
	<u>4,002</u>	<u>16,664</u>

## HIGHLANDS COTTAGE CHARITY

### 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 £564 (2022: £513)

### 8. Designated and restricted Funds

	<u>Balance</u>	<u>Movement in Resources</u>		<u>Balance</u>
	<u>1.8.22</u>	<u>Incoming</u>	<u>Outgoing</u>	<u>31.7.23</u>
<u>Designated Funds</u>				
Contingency Fund	5,000	-	-	5,000
AE Pash Charitable Trust donation	465	-	-	465
	<u>5,465</u>	<u>-</u>	<u>-</u>	<u>5,465</u>

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 2023

	<u>Fixed</u>	<u>Net Current</u>	<u>Long term</u>	<u>Total</u>	<u>Total</u>
	<u>Assets</u>	<u>Assets</u>	<u>liabilities</u>	<u>2023</u>	<u>2022</u>
<u>Endowment Fund</u>	203,088	-	-	203,088	203,088
<u>Designated Funds</u>	-	5,465	-	5,465	5,465
<u>Unrestricted Funds</u>	284,519	31,394	(66,940)	248,973	254,690
	<u>487,607</u>	<u>36,859</u>	<u>(66,940)</u>	<u>457,526</u>	<u>463,243</u>