

HIGHLANDS COTTAGE CHARITY

(Registered No 1012785)

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

TRUSTEES THIRTY-THIRD ANNUAL REPORT 2023/2024

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 27th 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/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 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 2024 are included with this report.

7. Activities

This year we have received a full year's rent on all our properties which has enabled the Trustees to continue to maintain reserves whilst at the same time to support a pro-active programme of repairs and improvements to all properties; in addition, a significant refurbishment of Flat 3, New Lodge was begun with a re-fit of the bathroom and extensive damp prevention work.

(a) New Lodge

- Flat 1

The flat has been fully tenanted this year requiring only minor maintenance issues which are covered by our monthly small maintenance budget. There is a budget of £2,000 carried forward for a potential replacement kitchen work top.

- Flat 2

The flat has required only minor maintenance which was covered by our monthly small maintenance budget with a budget of £5000 carried forward for kitchen refurbishment.

Flat 3

- Refurbishment of Flat 3 was started with £ 7,090 spent on stripping out the existing bathroom and replacing it; removing mould throughout the flat, and damp-blocked and walls painted. Replacement carpets and storage heaters have been carried forward in our budget at £ 4,600, and also £4,000 for a replacement water system.

- Blackwell Cottage

- Electrical and lighting repairs have been covered by our small expenditure budget, with a budget of £1,000 carried forward for wet flooring in the bathroom.

Little Lodge

- Maintenance was largely met within our small expenditure budget. £500 was spent in addition, to supply and fit new thermostats for the underfloor heating.

(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. Their monthly fee continues to be £300.

(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) 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 was hoped that the process would have been completed within this year, however it remains a work in progress with the solicitors and the bank.

(e) 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.

(f) 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

Date

7 / 11 2024

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 2024, 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 2024

HIGHLANDS COTTAGE CHARITY

STATEMENT OF FINANCIAL ACTIVITIES: YEAR ENDED 31ST JULY 2024

	Note	<u>Unrestricted</u> <u>Funds</u> £	<u>Designated</u> <u>Funds</u> £	<u>Total Funds</u> <u>2024</u> £	<u>Total Funds</u> <u>2023</u> £
Income					
Rents and licence fees		44,832	-	44,832	30,256
Other income - compensation		-	-	-	105
Bank and other interest		1,147	-	1,147	632
Total Income		<u>45,979</u>	<u>-</u>	<u>45,979</u>	<u>30,993</u>
Expenditure	2	<u>29,990</u>	<u>-</u>	<u>29,990</u>	<u>36,710</u>
Net Income/(Expenditure) for the year		15,989	-	15,989	(5,717)
Balances brought forward at 1 August 2023		248,973	5,465	254,438	260,155
Transfer between funds		-	-	-	-
Balances carried forward at 31 July 2024		<u>264,962</u>	<u>5,465</u>	<u>270,427</u>	<u>254,438</u>

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

HIGHLANDS COTTAGE CHARITY

BALANCE SHEET AT 31ST JULY 2024

	Note	2024		2023	
		£	£	£	£
Fixed Assets					
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	
Tangible fixed assets - Furnishings and equipment					
Cost b/f	1	10,094		10,094	
: additions		<u> -</u>		<u> -</u>	
		10,094		10,094	
Depreciation b/f		<u>9,282</u>		<u>9,012</u>	
: charge for year		203		271	
		<u>9,485</u>		<u>9,283</u>	
		609		811	
		<u>487,405</u>		<u>487,607</u>	
Current Assets					
Debtors and prepayments	3	-		-	
COIF Charities Deposit Fund		23,201		22,054	
Lloyds account		<u>30,313</u>		<u>18,807</u>	
		53,514		40,861	
Liabilities					
Amounts falling due within one year	4	<u>4,207</u>		<u>4,002</u>	
		4,207		4,002	
Net Current Assets		49,307		36,859	
Net Assets		<u>536,712</u>		<u>524,466</u>	
Long term liabilities	5	63,197		66,940	
		<u>473,515</u>		<u>457,526</u>	
Funds					
	8,9				
Endowment		203,088		203,088	
Designated		5,465		5,465	
Unrestricted		<u>264,962</u>		<u>248,973</u>	
		<u>473,515</u>		<u>457,526</u>	

Approved by the Trustees on 7 November 2024 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 2024

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>2024</u>	<u>2023</u>
Property insurance	2,170	1,541
Property surveyor and agent	3,600	3,354
Repairs and maintenance	13,193	19,241
Utility bills when property vacant	6	2,261
Legal fees general	4,429	4,926
Trustee Indemnity insurance	621	564
Mortgage interest	5,372	4,155
Sundries	37	36
Independent Examiner's fee	360	360
Depreciation of furnishings, equipment	203	271
	29,990	36,710

3. Debtors

	<u>2024</u>	<u>2023</u>
Trade debtors	-	-

4. Liabilities: Amounts falling due within one year

	<u>2024</u>	<u>2023</u>
Creditors	-	-
Accruals	360	360
Repayment due on mortgage - see note 5	3,847	3,642
	4,207	4,002

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 (2023: £564)

8. Designated and restricted Funds

	<u>Balance</u> 1.8.23	<u>Movement in Resources</u>		<u>Balance</u> 31.7.24
		<u>Incoming</u>	<u>Outgoing</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 2024

	<u>Fixed</u> <u>Assets</u>	<u>Net Current</u> <u>Assets</u>	<u>Long term</u> <u>liabilities</u>	<u>Total</u> 2024	<u>Total</u> 2023
<u>Endowment Fund</u>	203,088	-	-	203,088	203,088
<u>Designated Funds</u>	-	5,465	-	5,465	5,465
<u>Unrestricted Funds</u>	284,317	43,842	(63,197)	264,962	248,973
	<u>487,405</u>	<u>49,307</u>	<u>(63,197)</u>	<u>473,515</u>	<u>457,526</u>