

Registered Social Landlord number: A1070
Registered Charity number: 206984



Report of the Trustees and Audited Financial Statements
For the Year Ended 31 December 2023
For
TIVERTON ALMSHOUSE TRUST

TIVERTON ALMSHOUSE TRUST

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REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2023

The Corporate Trustee presents this report with the financial statements of the charity for the year ended 31 December 2023.

INTRODUCTION

The Corporate Trustee is pleased to report that the agreed objectives central to the work of the Tiverton Almshouse Trust of maintaining and improving core charitable activities, planning for the future and delivering a healthy financial position have been satisfied.

Tiverton Almshouse Trust is regulated by the Charity Commission and the Regulator of Social Housing (formerly the Homes and Communities Agency).

This report includes references to the Financial Statements attached and aims to address the regulatory requirements of the Regulator of Social Housing three economic standards: Value for Money, Governance and Financial Viability and the Rent Standard, throughout, as part of the reporting structure.

Total income in 2023 from charitable activities and other income was £865,144 (2022: £822,438). The total expenditure was £1,321,489 (2022: £1,037,512). The gain on investments was £273,699, which includes an unrealised gain of £268,225 and a realised gain of £5,474. In 2022 there was a deficit of £529,507. The deficit for the year 2023 was £70,146. This is due to important repair and maintenance works for the upkeep of the Trust's portfolio of properties, resulting in a higher than usual repair spend.

CODE OF GOVERNANCE

The Charities Code of Governance 2020 has been adopted by the Board in line with Charity Commission guidance. Tiverton Almshouse Trust falls between the Code for smaller and larger charities (defined as turnover below and above £1m respectively). The Board aspires to meet the recommendations set out for larger charities whilst maintaining a level of proportionality. The Code is produced by the NCVO, ICASA, ACEVO, Association of Chairs and the Small Charities Coalition with the oversight of The Charity Commission

1. OBJECTIVES AND ACTIVITIES

The objects of the Tiverton Almshouse Trust in the Scheme made by the Charity Commission dated 10 September 2009 (as amended by the Scheme dated 28 July 2014) are:

- a. the provision of housing accommodation for poor persons not less than 60 years old who have lived in the area of benefit for not less than 2 years prior to the appointment.
- b. such charitable purposes for the benefit of the residents as the Corporate Trustee decides
- c. the relief of persons resident in the area of benefit who are in financial hardship by:
 - i. making grants of money to them; or
 - ii. providing or paying for goods, services or facilities for them; or
 - iii. making grants to other organisations or institutions which provide goods, services or facilities for those in financial hardship.

The use of income and capital must firstly be applied to meet the proper costs of administering the charity and managing its assets (including repair and insurance of its buildings) and to make annual payments into the reserve funds considered necessary in the annual budget.

The remaining income to further the objects of the charity are made in the following order of priority:

- a. the benefit of the residents
- b. the relief of financial hardship of persons living in the area of benefit (which is Tiverton and environs).

The greatest activity within the Trust is the maintenance of its properties. In addition to almshouse accommodation, the Trust also owns investment property in Tiverton.

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The Board considers that the objects are still relevant to the work of the charity. The popularity of the almshouse accommodation, the low level of voids and the financial security of the organisation means that it achieves, and can sustain, its objectives.

Plans for the future address how those objectives can be taken forward to enable beneficiaries to continue to benefit from the Trust's charitable activities given the growing population of elderly and frail people.

Public Benefit

In carrying out the Trust's aims and objectives and in measuring achievements and performance, the Corporate Trustee has had regard to the Charity Commission's guidance dated February 2014 entitled "Public Benefit: rules for charities". Given that the Trust's objective is the relief of poverty (see objects above) only the benefit aspect of "public benefit" requires satisfying. The Commission specifies that the purpose of the charity must be beneficial in a way that is identifiable and capable of being proved by evidence where necessary and not based on personal views. The most quantifiable measure to identify whether the charity has a benefit to the local population eligible for accommodation is the low level of voids within the almshouses.

Tiverton Almshouse Trust almshouse properties are usually fully occupied with no voids (a void is defined as an empty flat awaiting allocation with no further redecorating or refurbishment required before it is occupied). The National Almshouse Association considers a 5% minimum void rate is acceptable and a void allowance of up to 12.5% may be suitable for small groups of almshouses, given the specific beneficiary group they serve. That would indicate that 4 to 9 of the Trust's properties could be void at any one time. The Trust had a voids rate of 1% throughout the year in 2023, under the above definition.

In line with the Trust's governing scheme 2009, the charity provides housing for local people over 60 years old and in financial need. Through regular advertising, open days, contact with Mid Devon District Council, and local voluntary agencies and local charities such as the Churches Housing Action Trust (CHAT), the Trust reaches a wide audience. The Trust has a list of eligible applicants waiting for accommodation and they are from a wide variety of backgrounds indicating that the Trust is reaching its beneficiary group. Nevertheless, the Corporate Trustee strives to raise the profile of the Trust within the town still further and the Strategic Plan has specific targets for ensuring wider awareness. The rigorous application of a points system ensures each applicant meets the required criteria, and this enables each applicant to be prioritised primarily based on financial, housing and social need. The applicant in greatest need at the time a vacancy arises is offered the accommodation regardless of how long they have been known on the list.

During 2023, ten vacancies arose (fifteen in 2022 and nine in 2021). The Trust was able to carry out significant refurbishment, including replacing kitchens and bathrooms with these larger projects taking on average six weeks to complete. The Trust was able to secure new residents immediately as it maintains a detailed list of eligible local people in need who had been previously interviewed so that they could be offered any vacant almshouses as soon as they were available. In some cases, in flats where minimal work was needed, the turnaround time was 4 weeks.

Properties

In total there are 84 almshouses, one unit at each of the two main sites was occupied by a resident Warden in 2023. The almshouses are on three geographically separate sites within Tiverton, namely:

- (i) Greenway Gardens, King Street (40 units)
- (ii) Sleees, Angel Terrace (3 units)
- (iii) John Greenway Close, Gold Street (41 units)

The accommodation is designed for independent living. As residents get older the Trust continues to support them for as long as possible and some residents receive third party care packages, social/community services assistance and support from the mental health team as required.

Tiverton Almshouse Trust owns the freehold of several commercial properties in the centre of Tiverton comprising retail shops and residential flats as well as two office buildings known as Raymond Penny House and John Greenway Building in the centre of town. The Trust also owns two terraced houses in Westexe, Tiverton.

Going Concern

After a detailed review and examining major areas which could give rise to significant financial risk, the directors are satisfied that no material exposures exist other than as reflected in these Financial Statements and the Trust has adequate resources to continue its operations for the foreseeable future.

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The Directors and management team review bi-monthly budgets with the external accountant, which include a minimum forecast 12-month period as well as a programme of works for 5 years. Cash liquidity is monitored through updated summaries of cash and investments which the board reviews in detail at the Finance and Property committee meetings and at the board meeting, quarterly. Throughout 2023 the Trust received independent pro-bono financial advice from Andrew Mayne from Stafford House Investments. Andrew previously supported the production of an annual report for 2022 which reviewed all investments in terms of risk. Tiverton Almshouse Trust is not dependent on investment income however, investments will be affected by market performance.

The Trust receives a steady income from commercial rents and weekly maintenance contributions from our almshouse residents, which meets our annual running costs. Large one-off projects regarding property development and/or significant repairs are reviewed against cash liquidity and available funds, which do not form part of the Trust's permanent endowed fund. Five-year quinquennial inspections have previously been carried out by Assinder Turnham & Co Ltd on all properties on a rolling programme, so the Trust can plan for large expenditure required over coming years and factor into our budget if affordable. In 2023, an inspection of our two properties in Westex South and the Market House in Bampton Street was carried out by Stratton Creber.

The Board and management team review our reserves and investment policies annually. We review our detailed risk register regularly, assessing potential financial risk areas including inflation, interest rate rises and any impacts these would have on the Trust. The Trust applies stress tests to potential risk scenarios related to our almshouse and commercial income and expenditure and how this may affect our budgets and strategic objectives.

2. ACHIEVEMENTS AND PERFORMANCE

Maintaining Properties

The Charity Commission Scheme clearly states that the main object of the charity is to provide almshouses for a specified group of local people. Income and capital must first be used to meet the proper costs of administering the charity and repairing, maintaining and insuring the buildings.

Total expenditure increased by £283,977 to £1,321,489 in 2023. The major factors that influenced this increase was the steep rise in repair costs post the COVID pandemic which totalled £162,648 compared to 2022 plus the loss on disposal of an investment property of £190,000. Note 4 to the Financial Statements provides a comparison and more detail is provided below.

In 2023, and in line with the quinquennial surveys, the Trust undertook a budgeted programme of works and cyclical maintenance. All significant contracts for programmed works and significant repair works were put out to tender. The specification and contract administration (including tender administration and reporting) were undertaken by Assinder Turnham & Co Ltd. Minor routine maintenance was undertaken either by the Trust's Maintenance Officer or by approved sub-contractors. Quotes are not required for work anticipated to be less than £3,000 to avoid inefficiency and wasted staff and sub-contractor time. Sub-contractors are required to breakdown labour and parts entries on invoices and provide discounts for regular work are often agreed. All invoices are reviewed three times before payment; by the Office Manager, the Chief Executive and finally a Director before being approved for payment. At the end of the year, all almshouse, residential and commercial properties were fully let.

Maintenance of Almshouse Properties

Of the £1,321,489 total operating costs and interest payable in 2023 for all properties (investment properties and almshouses combined) £318,663 was spent on almshouse maintenance by way of programmed works, chapel upkeep and renovation, replacement bathrooms and kitchens, external redecoration and where necessary, redecoration and refurbishment of the 10 flats that became vacant.

Increased regulation means increased routine checks, which continue to incur additional financial cost and staff time. The two most costly regulatory functions relate to legionella prevention and fire safety. The monthly, six-monthly, and annual checks for monitoring water hygiene systems to reduce the risk of legionella cost £7,564 in 2023 (2022: £6,616).

In 2023, the cost for the routine checking of fire detection systems was £2,480 (2022 £5,785). These checks are carried out by staff and specialist providers to ensure the Trust fulfils its legal obligations. The requirement to meet more robust guidance and regulations in buildings of differing ages and styles means the Trust is reliant on specialist contractors to carry out some of the works. Quotes are invited for these works and annual contracts are then awarded.

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Residents' Satisfaction Survey

The Trust is committed to improving services and to reviewing what are the most prominent issues and priorities for our residents by gathering their valuable feedback. The Trust conducts an annual residents' satisfaction survey. A summary of the previously published 2022 results are below.

The Chief Executive presented a revised, more robust set of Residents Survey questions to the Residents Services and Wellbeing Committee. In March 2024 these were unanimously agreed and adopted and will be used in the next survey to be run in June 2024.

Residents Satisfaction Survey	2022
Satisfaction with overall service	100%
Satisfaction with the overall quality of your home	100%
Satisfaction of feeling safe living in your almshouse	100%
Satisfaction that your weekly maintenance contribution provides value for money	97%
Satisfaction that your utility contribution charge provides value for money	97%
Satisfaction with repairs and maintenance	100%
Satisfaction that Tiverton Almshouse Trust listen to your views and acts upon them	95%

The Trust is a member of the benchmarking group Acuity to compare the annual costs of running the almshouse properties with similar almshouse charities and small housing associations across the country. Our level of residents' satisfaction scores will be able to be more robustly compared with other organisations when we have had the opportunity to run the revised survey questions. In 2023 the Trust sits just below the median for spend on reactive repairs and above for cyclical and major repairs.

Investment Property Maintenance

Expenditure on day-to-day maintenance on the Trust's investment properties was significantly less than on almshouse properties, which is to be expected given the tenancy agreements on the former which oblige commercial tenants to keep properties in good and tenable repair. In 2023 the routine and cyclical maintenance expenditure for the Trust on these properties was £51,535 (2022: £22,105), primarily consisting of servicing and general repairs.

Provision of Almshouse Accommodation

Tiverton Almshouse Trust is a social housing provider registered with and regulated by the Regulator of Social Housing. The Trust is also a registered charity with the Charity Commission. The main purpose of the organisation is to provide housing to local people over 60 years of age and in financial need. Applications are encouraged from anyone who believes they fulfil the basic three criteria and are scrutinised in line with an internally approved policy which is regularly reviewed to ensure consistency and relevance.

In 2023 both main sites had a resident Warden. The third site, known as Slees, is a historic building in the town centre comprising three flats. Residents at Slees are not visited regularly by a resident Warden but the Housing Manager will visit as necessary. This is because, in general, residents at Slees need to be more independent and mobile due to the restrictive historical layout.

The Warden's remit is to ensure the daily well-being of all residents and although they are not medically trained and do not provide personal care, they can assist residents in day-to-day living. Their role can be described as "being a good neighbour". There is a 24-hour emergency call system (Tunstall) within the Greenway Gardens and John Greenway Close sites, enabling residents to access emergency help at all times of the day and night. The Wardens maintain regular contact with family members when necessary or when a resident is unwell. Wardens also provide a variety of optional social activities, held in the community rooms at each of the two main sites.

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There are four meetings a year attended by appointed Directors of the Residents Services and Well-being Committee, the Housing Manager and Chief Executive Officer to discuss resident issues and management of the sites. Directors on this committee review the waiting list for vacant almshouses and are updated on informal chats with potential new applicants to determine eligibility for almshouse accommodation.

In 2023, residents paid a Weekly Maintenance Contribution (WMC) for their accommodation and a contribution to water supply and gas (Utility Contribution). Weekly Maintenance Contributions varied from £94.04 per week to £126.63 per week depending on the accommodation that is provided. In addition, all residents paid a £26.73 Utility Contribution based on single occupancy and £33.42 per week based on double occupancy.

The Corporate Trustee aims to keep resident contributions as low as possible considering the rent standard provided by the Regulator of Social Housing (RSH) and equivalent fair rent assessments from the Valuation Office Agency (VOA). The latest VOA assessment was undertaken in 2023. In addition, the Chief Executive consults with Mid Devon District Council on any WMC increase to ensure that those residents who require assistance can access 100% of the rent payment through housing benefit if eligible.

The Corporate Trustee strives to ensure a fair, consistent and transparent process when allocating Almshouse accommodation. There is an approved policy within the Trust to promote its services via the Trust's website and to maintain regular contact with local support organisations such as the Churches Housing Action Trust (CHAT) as well as Devon Home Choice (the bidding portal for local authority housing and housing associations). Promotional material is located in Mid Devon District Council's reception. All applicants complete a detailed application form, including a financial information section and are interviewed by the Housing Manager and CEO. A points system is in use to ensure consistency. Those applicants placed on the list awaiting allocation are regularly reviewed and applicants are encouraged to keep in touch with the Housing Manager.

A good working relationship with Mid Devon District Council and local housing charities ensures a wide-ranging local awareness of the almshouses which includes articles in the local paper and an active use of social media. Innovative ways to widen the search for applicants are always considered. Once an applicant is accepted in principle, a priority weighting system ensures the applicant in greatest need is offered any vacancy first, in accordance with our governing scheme.

The continuing lack of residential care homes within the town and surrounding area means that our residents are staying in their homes longer than in previous times. Social care support is now provided at home and hospital admissions are generally reserved for emergencies, which means that care agencies and health professionals are frequently on site and we work together in partnership for the benefit of the residents.

Alexandra Lodge

Planning permission was granted in 2015 to Abbeyfield, formally The Abbeyfield Society, for a 45-bed extra-care unit at Alexandra Lodge. The freehold of the property is owned by Tiverton Almshouse Trust and following planning permission, a 250-year lease was signed to Abbeyfield. Progress has been slow and the site is now in a state of severe disrepair in the main due to the lack of action of Abbeyfield in the re-development of the site. Abbeyfield has declared that they no longer see the development as a viable proposition. Tiverton Almshouse Trust is in communication with Abbeyfield to best understand future options that ensure the site is able at some point in the future to be developed by another organisation, ultimately to benefit the people of Tiverton.

Relief of Financial Hardship

The additional objectives of the charity allow for the relief of poverty for local people who are in financial hardship by making grants of money to them or making grants to other organisations or institutions with similar aims. The amount of money donated to achieve this objective is considered by the Corporate Trustee at the AGM each year and the donation may be approved to a local organisation with similar aims. No donations were made in 2023.

3. **FINANCIAL REVIEW**

The Corporate Trustee reviews its reserves and the non-designated funds and expendable endowment to be used for "the proper costs of administering the charity and of managing its assets" (Charity Commission Scheme September 2009). A Reserves Policy addresses the Expendable Endowment and designates funds to the actions approved in the strategic plan. There are regular reviews of operational risks and requirements and sufficient reserves are maintained to address these requirements.

As stated in the Investment policy, the objective of the Corporate Trustee in holding investments within a share portfolio is to produce the best financial return and capital growth within an acceptable risk and to balance the

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income and capital return.

The four risks identified in the report last year still stand, namely:

- i. Capital growth not keeping up with inflation thereby leading to a decline in the real value of the investment
- ii. Fluctuating income from share portfolios and deposit accounts due to the wider economic environment
- iii. Bank default
- iv. The unknown effect of the current financial economic situation

To limit the above risks, the Board has delegated certain decisions to the Finance and Property Committee (which consists of over half of the Board's number) including allowing those members to re-invest maturing funds subject to the current Financial Services Compensation Scheme Limit. This allows decisions to take advantage of available investment offers (especially fixed rate bonds open for a short time) by acting in a timely manner. All investments, apart from those held within share portfolios, are monitored at every committee meeting.

Shareholding portfolios are managed by professional brokers and/or fund managers and an annual review is undertaken at the November board meeting of the Corporate Trustee. An external investment review takes place annually.

The Corporate Trustee has considered ethical investments to ensure that investments are not made in companies with values not aligned to those of the Trust and has therefore put restrictions on investing in any fund that is linked to the production or sale of tobacco.

It also considered companies who seek to make people homeless, however, this is difficult to monitor and enforce. It was decided not to impose this ethical restriction. The Corporate Trustee accepts that the ethical values of individual directors must not compromise policy decisions.

The Statement of Comprehensive Income, and supporting note 2, shows that income received from almshouse residents' weekly contributions (including service charges) has increased by £30,289 (6.85%), primarily as a result of the annual review of charges in April. The Corporate Trustee is mindful of maximising income (for the charity's future sustainability) commensurate with fulfilling the Charity Scheme objective to ensure no resident suffers financial hardship.

Operating costs (note 4) show some changes from the previous year. Overall wage costs are up by £7,622 compared to 2022, the increase is as a result of cost-of-living wage increases and one-off performance related payments made to staff during the year.

The income from fixed asset investments (shareholdings and deposits) increased by £6,746 over the year despite the continued volatile market caused by the war in Ukraine. The portfolio of investments is valued in 2023 at £3,775,269 (2022: £3,491,472).

The annual total return on the managed portfolio is reflected in Note 12, with realised and unrealised gains of £273,699 (2022: £314,433 loss).

Rents receivable from investment properties have decreased marginally to £229,639, compared to the 2022 year (£233,130).

Professional valuations are undertaken on our commercial and residential investment properties, on a five-year rolling programme. This year, formal valuations were carried out on the Trust's two investment properties in Westex South and The Market House. Almshouse properties are included under the cost model and do not form part of the annual valuation cycle.

Permanent endowment (identified as investment properties, housing properties and other investments agreed as such by the Charity Commission as part of their investigations prior to the merger in 2009) has increased from £8,710,634 to £8,744,381, reflecting an upwards revaluation and unrealised gains on investments, less a disposal of a high reputational risk investment property.

Other Reserves of £1,268,900 shown in the Statement of Financial Position are identified in note 17 and split into:

1. The Extraordinary Repair Fund (ERF) funds the unforeseen expenditure necessary to carry out the Trust's objectives. It also includes Programmed Works, which are based on the five-year budget

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forecast, the quinquennial surveys and condition surveys that are carried out for the Trust on a regular basis to ensure that there is a rolling programme of maintenance.

2. The Cyclical Maintenance (CMF) fund provides monies for work to maintain properties that is undertaken every so often on a regular, but not annual, basis, such as redecorating almshouses when a resident moves out.
3. Routine works include routine maintenance of the Trust's properties to ensure they remain safe, secure and fit for purpose.

The mortgage debt for the 2004 development of thirty-two new almshouses at John Greenway Close remains the single largest financial commitment. The financial statements show the annual interest payment for the year £23,701 and reduction in the value of the outstanding mortgage of from £548,915 (2022), to £521,072 in 2023.

The mortgage is held in two separate accounts, one fixed until 2032 and one variable allowing just over half of the sum owing to be paid off at any time should Directors deem it prudent to do so.

4. PLANS FOR THE FUTURE

A three-year strategic plan is in place for 2022-2025 with the following objectives:

- Maintain – to ensure residents are provided with good quality homes.
- Develop and collaborate – to develop more quality homes in Tiverton for older people in need, independently as a Trust or with potential partners.
- Profile – to raise the Trust's profile, ensuring there is an awareness of what we offer to benefit older people locally.
- Investment – to invest in the Trust's properties, staff, and technology to ensure the Trust is as efficient and sustainable as possible to secure its future.

5. CHARITY STRUCTURE, GOVERNANCE AND MANAGEMENT

Tiverton Almshouse Trust is regulated by The Charity Commission and the Regulator of Social Housing (formerly the HCA). Under the latter, it is classed as a Registered Provider of social housing. In 2014 a new Charity Commission Scheme changed the way the Trust was governed. Tiverton Almshouse Trust is a registered charity with the objects outlined above (see section 1). The 2014 Scheme gave permission for the charity to have one corporate trustee rather than twelve individual trustees and, as a result, a new company limited by guarantee known as Tiverton Almshouse Trustee Ltd was established to be that sole trustee.

Within the company (the Corporate Trustee) are the twelve voluntary directors (previously called Trustees). The Tiverton Almshouse Trust Scheme provides the Corporate Trustee with the same powers as before and the Articles of Association provide further provisions. The incorporated structure is more recognisable to banking and commercial sectors and provides directors with increased indemnity protection.

The Directors have a term of appointment of five years. Directors can be re-appointed and there is no maximum number of terms for re-appointment. Directors due for retirement on the rotation basis, are interviewed by the Recruitment and Remuneration Committee under an agreed procedure which remains the same for all Directors.

A set series questions probing the interviewee's commitment to the charity and its purpose, the time available for the necessary workload, the skills that can be brought to the Board and the individual's hopes and aspirations for the charity for the next five years are all discussed in depth and reported back to the Board at the AGM when re-appointments are decided. In this way the Board can retain committed and energetic Directors regardless of their length of term.

Prior to appointment and re-appointment Directors must sign the Charity Commission's Declaration of Eligibility to serve. At each meeting of the Board and committees, all potential, real and perceived conflicts of interest, loyalty and perception are declared, recorded and discussed. In the event of a conflict or likelihood of a conflict the Director in question is asked to leave the room at the appropriate time or refrains from voting on the matter in question.

At the end of 2023, the Board had eight Directors (out of a maximum of twelve permitted under its Articles of Association). The Board considers that it has a wide range of the necessary skills and attributes but will actively be seeking additional Directors in 2024. The internal audit of the Board takes place at the AGM in May.

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Directors

Name	Position	Date appointed/resigned	Skills and experience
Diana R Hewitt	Chair	Appointed 21 May 2021	Retired Director
John A Pulford	Director	Reappointed 14 May 2019	Retired Local Government Officer
Roger M Stickland	Director	Appointed 6 July 2021	Retired Director
Brian C Berry	Director	Appointed 26 July 2021	CEO Federation of Master Builders
Steve Esau	Director	Appointed 9 May 2023	Surveyor
Richard R Ives	Director	Appointed 20 November 2023	IT Consultant
Brenda Stanley	Director	Resigned 9 May 2023	Retired Businesswoman
Michael H C Biggin	Director	Resigned 9 May 2023	Retired Finance Manager
John N Rendle	Director	Resigned 19 August 2023	Businessperson

Nominated directors appointed by Tiverton Town Council:

Timothy Bridger	Director	Appointed 20 November 2023	Town Councillor
Leslie Cruwys	Director	Appointed 20 November 2023	Town Councillor
Wallace Burke	Director	Resigned 9 May 2023	Town Councillor
Claudette Harrower	Director	Resigned 9 May 2023	Town Councillor

Office of the Trust

The office of the Tiverton Almshouse Trust is: The Market House, 18 Bampton Street, Tiverton, Devon EX16 6AA.

Trust Staff

P Dummett	Chief Executive
N Anderson	Office Manager
N Askew	Housing Manager
L McDonald	Property Manager
L Murphy	Administrator
G Strong	Maintenance Officer
M Pike	Housekeeper/Cleaner

Wardens

L Brooks	Warden, John Greenway Close
E Kerrigan	Resident Warden, Greenway Gardens

Advisors to the Trust

Auditors:	PKF Francis Clark, Centenary House, Exeter, Devon
Accountants:	William Withers & Co., Quayside House, Tiverton, Devon
Bankers:	Unity Trust Bank, 9 Brindley Place, Birmingham
Solicitors:	Ashfords, Gotham House, Tiverton, Devon
Investment advisors:	Rathbones, Keble House, Southernhay Gardens Stafford House Investments, Aintree House, Taunton
Exeter Commercial surveyors:	Stratton Creber, 20 Southernhay West, Exeter
Property Surveyors:	Avison Young, One Kingsway, Cardiff Assinder Turnham, 6/7 Southernhay West, Exeter

Structure of the Trustee's Board of Directors

The Board of Directors comprises of an elected Chair who is voted a year of office at the AGM held every May. The Board of Directors meets quarterly each year at the Trust's offices where possible and by video call. No business may be transacted at a Board meeting unless four Directors are present as a quorum.

In addition, there are four committees:

1. Finance and Property which meets quarterly.
2. Residents' Services and Well-being which meets quarterly.
3. Audit and Risk which meets quarterly.

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4. Recruitment and Remuneration which meets in November to review Director vacancies prior to the AGM and to review staff salaries for the following year.

Following the incorporation, Directors approved a governance policy covering the way business is transacted within the committees and within the main board in line with the Articles of Association. The governance policy was reviewed in April 2021.

Director Vacancies

Vacancies for nominated Directors are filled by Tiverton Town Council held in accordance with the ordinary practice of the Town Council. They elect two councillors as their representatives on the Trust's Board and the term is for four years.

The Articles allow for retirement by rotation meaning that at each AGM one-fifth of the elected Directors retire from office. Retiring Directors can re-apply for another term and will be asked to meet with the Recruitment and Remuneration committee prior to the AGM to discuss their application (see above and below).

The approved policy for recruiting new Directors is to advertise following a skills audit of the board and includes provisions for appointment, declarations and managing conflicts of interest/loyalty.

Once appointed, the new Director is encouraged to visit all the almshouse sites (if they have not already done so) accompanied by the CEO or Housing Manager. In addition, the new Director is invited to sit as an observer on all committee meetings for a period of at least six months to enable them to become familiar with workings of the Trust and the day-to-day issues. After the six-month induction, the new Director is encouraged to participate within one or more committees when appointments are made at the AGM.

Appointment and Training of staff

Members of staff are appointed in accordance with the approved policy. Remuneration of all staff is reviewed on an annual basis and increases are based upon a comparison with public sector and private sector pay settlements. When available more specific comparisons are made with other almshouse or housing charities of the same size and operation. A rolling programme of training is operated including fire procedures, cyber security, health and safety risk assessments, food hygiene, first-aid, working at height, safeguarding, lone-working, mental health awareness and data protection. The Almshouse Association provides the most relevant and practical forum for Directors and staff training.

Applying the Charities Code of Governance 2020

The Corporate Trustee has considered, in detail, the best practice guidelines within the Code. There is an obligation upon charities to apply the Code or explain why they have not.

Some guidelines are not applied for good reason. Contracts with local sub-contractors undertaking small-scale routine maintenance work are kept as verbal contracts in the interest of speed, efficiency, and experience of comparative costs.

Regarding Director appointments, the Corporate Trustee has agreed that next year it will review the maximum length of Director appointments to ensure the Trust is following best practice guidance, being mindful of the balance between continuity and the need to ensure that the skills, experience, and knowledge amongst Directors are refreshed on an ongoing basis.

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Applying the Value for Money Standard 2018

Tiverton Almshouse Trust is a registered social provider and, as such, publishes annual evidence within these statutory accounts to enable stakeholders to understand its performance as compared with the metrics set out by the regulator, compared to those in our peer group and addresses any areas of underperformance.

Tiverton Almshouse Trust is a member of the Acuity Benchmarking Group for small social housing providers and a second annual benchmarking report has recently been submitted. Improvements we have made in collecting and collating our data this year have increased the accuracy of the submitted figures.

The Trust scored very highly in terms of resident satisfaction and repairs performance. Management of voids, regarding costs and the time to turn these around, were at the lower end of the median but it was clear that there were some differences in how organisations accounted for this element of the process.

WMC collection and arrears were below the average and our spending per property is in line with similar costs across comparable organisations.

The Trust's repairs and maintenance costs are above average in some cases, as are overheads. But when considered as a proportion of our turnover, it returns the Trust to the median line.

Our Major and Cyclical works are high compared to other organisations in part due to which type of services which are considered Cyclical by different organisations; the Trust has recorded the Tunstall emergency call system as cyclical, for example.

The standard refers to activities across the board and includes activities relating to the Trust's investment properties where relevant.

There are seven metrics within the standard:

1. **Reinvestment** (the scale of investment into existing housing, acquisition or development of new housing in relation to the size of the asset base). This metric looks at the investment in properties as a percentage of the value of total properties held. The Trust did not acquire or develop any new housing in 2023 and currently operates 84 social housing units. The measure for the Trust in 2023 is 7.69% (2022: 7.11%). In both years the expenditure on existing properties has been a combination of programmed installation of windows, external painting, refurbishments of bathrooms to shower rooms and a rolling programme of repairs. The section on Maintenance of Almshouses contains further detail.
2. **New supply delivered** (units acquired or developed in the year as a proportion of existing housing stock). Given there were no additional units acquired the measure is zero (2022: zero).
3. **Gearing** (Proportion of borrowing in relation to the size of the asset base). The Trust's borrowing relates to a mortgage taken out in 2004 when the new development of 32 houses was built. The loan is valued at £521,072 at 31 December 2023 representing a gearing of 12.57% (2022: 13.24%). The board continues to review annually the financial benefits of paying off part of the mortgage that is unfixed versus the interest and return on investments.
4. **Earnings before interest, tax, depreciation and amortisation major repairs included** (Indicates liquidity and investment capacity). The EBITDA MRI interest cover seeks to measure the level of surplus that is generated compared to interest payable. The Trust's measure for 2023 is negative 1,037.19% (or 10.37 times). 2022: 1,278.08% (or 12.78 times).
5. **Social housing cost per unit** The Trust's social housing cost per unit for 2023 was £3,990, (2022: £3,794) the applicable costs related to management, repairs and maintenance and service.
6. **A Operating Margin % (Social Housing Lettings Only)** demonstrates the profitability of operating assets before exceptional expenses are taken into account. In calculating this only operating costs directly attributable to social housing costs have been included, the margin for the Trust for 2023 was 10.90% (2022: 15.91%).

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2023**

B Operating Margin % (Overall) as above however including all operating costs against social housing income and rents receivable from investment properties the margin for the Trust for 2023 was negative 34.80% (2022: negative 30.70%). The Trust's total expenditure (note 4) has increased compared to 2022.

7. Return on capital employed % (ROCE) the metric compares the operating surplus to total assets less current liabilities, the Trust's ROCE for 2023 was negative 2.33% (2022: negative 1.86%).

Managing Risk

The Corporate Trustee regularly reviews the potential risks to the Trust and aims to take a balanced and proportionate view. Professional advice is taken where necessary and regularly.

Where decisions are taken to commit significant financial resources, the financial return is considered along with the social investment return and the furtherance of the charitable objectives.

Nevertheless, the corporate trustee is acutely aware of the potential risks facing the Trust and a rigorous system of checks and balances is in place and reviewed regularly. A detailed risk register serves to prioritise governance, operational, compliance and external factors that pose the greatest concern and a management plan is enforced to reduce exposure. Greatest risks can be grouped according to residual risk priority and summarised as follows in order of concern:

- i. Regulatory and Statutory
 - a. Changes in government policy leading to reduced income, increased regulation and therefore increased expense and staff time.
 - b. Maximising the positive impact upon beneficiaries but ensuring this is within the parameters of the Charity's objects.
 - c. Governance matters that arise from a small staff team (such as dependence on key staff).
 - d. Recognising the potential for conflicting interests and loyalties given the directors within the corporate trustee are local lay people with numerous local connections and local businesses.
 - e. Reducing the possibility of unknown changes in legislation and regulation (sometimes originating in indirect departments).
- ii. Specific risk mitigation measures relevant to the Financial Statements:
 - a. Fraud: Day-to-day administration procedures are undertaken to reduce the risk of fraud and certain functions (such as payroll) are outsourced. Internal financial reviews are undertaken as good practice, also a Fraud Policy and Fraud Response Plan was implemented to the robust list of policies and procedures already in place.
 - b. Loss of Income (Property): Measures are taken to minimise almshouse voids (see report above) by advertising and maintaining close working relationships with local organisations and the local authority. Commercial rent levels have dropped in recent years due to the uncertain economic climate preceded by a recession, but staff strive to ensure good working relationships with commercial tenants, keep the properties in good working order and keep close monitoring of rental payments to minimise the risk of arrears and to maintain continuity of tenants.
 - c. Loss of Income (other assets): An annual investment review is held every November and monitored every two months by the Finance and Property Committee. An approved Investment Policy is reviewed every year. Discretionary power has been given to the Trust's brokers who manage the largest portfolio, other investment providers are managed funds or deposit accounts. The Corporate Trustee aims for a wide variety of deposit accounts balancing long term and short-term investments and, as far as reasonably possible, invests no more than the maximum cover provided by the Financial Services Compensation Scheme.
 - d. Unforeseen Property Repair Costs: Quinquennial surveys are commissioned, and the results incorporated into a rolling programme of maintenance within the budget forecast. Unforeseen works are therefore restricted to extraordinary events (such as flooding because of a leak) and usually covered by insurance. Routine maintenance is seen as a core activity.

The Chief Executive is responsible for the day-to-day management of health and safety matters and Directors are aware of their statutory duties under legislation through regular committees. Health and safety risk assessments are carried out annually by the Property Manager. Fire risk assessments are also carried out annually by the Property Manager.

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2023**

A comprehensive list of policies and procedures is reviewed on a one - three-year rolling programme or because of changing legislation or best practice guideline, whichever is the soonest. Regular staff meetings ensure that new procedures are implemented.

A fire drill is held annually.

Residents are encouraged to ask questions and provide feedback verbally, or in writing or through suggestion boxes on site. The Chief Executive sends an annual report to all residents with the results from the residents' satisfaction survey. The Chief Executive holds a residents' drop-in each month on both of the large almshouse sites for residents to individually ask questions and give their feedback.

Staff meetings for office employees, including line managers take place weekly for the management team and bi-weekly for the full staff team.

Directors and staff remain vigilant on matters of risk and continue to seek advice and updates from legal bodies, the Charity Commission, the Social Housing Regulator, and the Almshouse Association.

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2023**

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

- The Corporate Trustee of the charity which held office at the date of approval of these Financial Statements as set out above, confirms, so far as it is aware, that:
 - there is no relevant audit information of which the charity's auditors are unaware; and
 - it has taken all the steps that it ought to have taken as Corporate Trustee in order to make itself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

○ Approved at a meeting of the Corporate Trustee held on.....*07 MAY 2024*

○ Signed on its behalf by:

- Mrs Diana R Hewitt – Director (Chair)
- Mr Patrick R Dummett (Chief Executive)

DR Hewitt

P

07.05.2024.

**TIVERTON ALMSHOUSE TRUST
STATEMENT ON INTERNAL CONTROL SYSTEMS
YEAR ENDED 31 DECEMBER 2023**

The Corporate Trustee is responsible for maintaining a sound system of internal control which:

- focuses on the significant risks that threaten the organisation's ability to meet its objectives; and
- provides reasonable assurance of the safeguarding of assets.

The Corporate Trustee is also responsible for reviewing the effectiveness of the system of internal control.

The internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the charity is ongoing. This process has been in place for the year ended 31 December 2023 and up to the date of approval of the Corporate Trustee's report and financial statements and is regularly reviewed by the Corporate Trustee.

Experienced and suitably qualified management staff take responsibility for important business functions. Appraisal procedures have been established to maintain the standards of performance.

All significant new initiatives, major investments and investment projects are subject to formal authorisation procedures, through the Finance and Property Committee and/or the Board.

The Property and Finance Committee reviews reports from senior staff on behalf of the Board and from the external accountants and separate auditors to provide assurance that control procedures are in place and are being followed. The Property and Finance Committee informs the Board in this regard on a regular basis.

Procedures have been established for instituting appropriate action to correct weaknesses identified from the above report.

**TIVERTON ALMSHOUSE TRUST CORPORATE TRUSTEES'
RESPONSIBILITIES STATEMENT
YEAR ENDED 31 DECEMBER 2023**

The Charities Act 2011 and registered social housing legislation require the Corporate Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its income and expenditure for that period.

In preparing these financial statements, the Corporate Trustee is required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Corporate Trustee is responsible for keeping proper accounting records which 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 Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022. The Corporate Trustee has general responsibility for taking reasonable steps to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT
TO THE CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST**

Opinion

We have audited the financial statements of Tiverton Almshouse Trust for the year ended 31 December 2023 which comprise the Statement of comprehensive income (including income and expenditure account), Statement of financial position, Statement of changes in equity and reserves, Statement of cash flows and notes to the financial statements, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022

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 UK, including the FRC'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 director's 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 year of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the Corporate Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The Corporate Trustee is responsible for the other information. The other information comprises the information included in the report of the corporate trustee, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST (CONTINUED)**

Opinion on other matter prescribed by the Charities Act 2011

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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 Corporate Trustee's 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.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of Corporate Trustee

As explained more fully in the Corporate Trustee's Responsibilities Statement (set out on page 16), the Corporate Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporate Trustee 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 Corporate Trustee is 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 Corporate Trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Based on our understanding of the Trust and nature of the business, we identified the principal risks of non-compliance with laws and regulations as being those which have a direct impact on the preparation of the financial statements, such as The Charities Act 2006, and relevant tax legislation (VAT etc.), as well as legislation governing responsibilities as a social housing landlord. We considered the extent to which non-compliance with these laws and regulations may have a material effect on the financial statements.

**INDEPENDENT AUDITOR'S REPORT
TO THE CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST (CONTINUED)**

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Based on this understanding we designed our audit procedures to identify irregularities. Our procedures involved the following:


- Enquiries of those charged with governance, regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements.
- Review of minutes of meetings of those charged with governance.
- Evaluation of the effectiveness of management's controls designed to prevent and detect irregularities including those applicable to social housing landlords.
- Challenging assumptions and judgements made by management in its significant accounting estimates.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's corporate trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Charity's corporate trustee those matters we are required to state to the corporate trustee 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's Corporate Trustee as a body, for our audit work, for this report, or for the opinions we have formed.


PKF Francis Clark, Statutory Auditor

Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE
Date:

7/5/24

PKF Francis Clark is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

TIVERTON ALMSHOUSE TRUST
STATEMENT OF COMPREHENSIVE INCOME (INCLUDING
INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED
31 DECEMBER 2023

	Note	2023 £	2022 £
Turnover	2	818,327	782,317
Less: Operating costs	4	<u>1,107,788</u>	<u>1,022,481</u>
Operating deficit	5	(289,461)	(240,164)
Income from fixed asset investments		31,682	33,558
Interest receivable and similar income	9	15,135	6,563
Interest payable and similar charges	10	(23,701)	(15,031)
Unrealised/realised gains and losses on investments	12	273,699	(314,433)
Profit/(loss) on disposal of investment properties		(190,000)	-
Revaluation of properties		<u>112,500</u>	<u>-</u>
Surplus on ordinary activities for the year before tax		<u>(70,146)</u>	<u>(529,507)</u>
Tax on surplus on ordinary activities		-	-
Surplus / (deficit) for the year after tax		(70,146)	(529,507)
Total comprehensive income for the year		<u><u>(70,146)</u></u>	<u><u>(529,507)</u></u>

Signed on behalf of the corporate trustee on...07...MAY 2024

Mrs Diana R Hewitt – Director (Chair)



The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF FINANCIAL POSITION YEAR ENDED
31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible fixed assets	11		4,144,378		4,144,378
Investment properties	11		2,519,176		2,856,676
Other fixed assets	11		426,577		428,019
Investments	12		3,775,269		3,491,472
			<u>10,865,400</u>		<u>10,920,545</u>
Current assets					
Debtors	13	42,802		57,532	
Cash at bank and in hand		<u>632,043</u>		<u>727,460</u>	
		674,845		784,992	
Creditors: amounts falling due within one year	14	99,971		169,119	
				<u>169,119</u>	
Net current assets			574,874		615,873
Total assets less current liabilities			11,440,274		11,536,418
Creditors: amounts falling due after more than one year	15		493,513		519,511
			<u>10,946,761</u>		<u>11,016,907</u>
Capital and reserves					
Permanent endowment	18		8,744,381		8,710,634
Expendable endowment	18		933,480		888,707
Income and Expenditure reserves	17		1,268,900		1,417,566
			<u>10,946,761</u>		<u>11,016,907</u>

These financial statements were approved and authorised for issue by the corporate trustee on

07 MAY 2024

and signed on its behalf by:

Mrs Diana R Hewitt - Director



The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF CHANGES IN EQUITY AND RESERVES
YEAR ENDED 31 DECEMBER 2023

	Permanent Endowment £	Expendable Endowment £	Other Reserves £	Total £	2022 £
At 31 December 2022	8,710,634	888,707	1,417,566	11,016,907	11,546,414
Surplus for year before gains and losses from investments	-	-	(266,345)	(266,345)	(215,074)
Unrealised/realised gains and losses on investments	111,247	44,773	117,679	273,699	(314,433)
Revaluation of tangible fixed assets	112,500	-	-	112,500	-
Profit/loss on disposal of investment properties	(190,000)	-	-	(190,000)	-
Total comprehensive income	33,747	44,773	(148,666)	(70,146)	(529,507)
Transfers	-	-	-	-	-
At 31 December 2023	8,744,381	933,480	1,268,900	10,946,761	11,016,907

The annexed notes form part of these financial statements.

**TIVERTON ALMSHOUSE TRUST
STATEMENT OF CASHFLOWS
YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	£	£
Net cash flow from operating activities	Note 23 (339,638)	(96,590)
Cash flow from Investing activities		
Payments to acquire tangible fixed assets	(825)	(185,305)
Receipts from sale of fixed assets	260,000	-
Proceeds from Investments	61,210	244,989
Purchase of investments	(108,204)	(229,499)
Interest received	15,005	6,383
Dividends received	31,682	33,558
Net cash flow from Investing activities	<u>258,868</u>	<u>(129,874)</u>
Cash flow from financing activities		
Repayment of long-term loans	(51,544)	(45,681)
Net cash flow from financing activities	<u>(51,544)</u>	<u>(45,681)</u>
Net Increase / (decrease) in cash and cash equivalents	(132,314)	(272,145)
Cash and cash equivalents as at 1 January 2023	784,127	1,056,272
Cash and cash equivalents as at 31 December 2023	<u>651,813</u>	<u>784,127</u>
Cash and cash equivalents consist of:		
Cash at bank and in hand	632,043	727,460
Cash held as part of investment portfolio	19,770	56,667
	<u>651,813</u>	<u>784,127</u>

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information and basis of preparation

Tiverton Almshouse Trust is incorporated under the Charities Act 2011 and is a Registered Provider of Social Housing in the United Kingdom.

Tiverton Almshouse Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2022, and the Charities Act 2011.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements are prepared in sterling, which is the functional currency of Tiverton Almshouse Trust and rounded to the nearest £.

The registered office is disclosed in the Report of the Corporate Trustee.

Housing properties

Housing properties are principally properties available to beneficiaries of the trust in return for weekly maintenance contributions.

Housing properties are included at deemed cost and are reviewed for impairment at the end of each reporting period.

Investment Properties

Investment properties are principally properties available to tenants of the trust in return for a commercial rent.

Investment properties are included at valuation, representing fair value and at each reporting date any changes in fair value are recognised in the statement of comprehensive income. Professional valuations are undertaken on a 5-year rolling cycle.

Investment properties are reviewed for impairment at the end of each reporting period.

Fixed assets and Depreciation

Other fixed assets are stated at cost, less accumulated depreciation. Depreciation is charged on a straight-line basis at rates anticipated to write off the cost of the asset, at the following annual rates:

Housing & freehold properties	Nil
Computer equipment	33.33% straight line

There is no depreciation charged this year against housing properties or freehold property as the corporate trustee believes the residual values are not lower than the current carrying value in the balance sheet. This opinion is based on the valuation of The Market House offices in 2018 and the valuation work done on the housing properties in 2019. It is the corporate trustee's opinion that the local housing market remained static over the 2023 year, and they will be reviewing this throughout the 2024 financial year.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently they are measured at fair value through the statement of comprehensive income.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

Debtors and creditors receivable/payable within one year

Debtors and creditors payable within one year are recorded at transaction price.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs and then subsequently adjusted for principal repayments and interest charged.

Revaluation surpluses and deficits

Where market value is not readily available, the corporate trustee estimates market value. Revaluations of investments are reported in the Statement of Comprehensive Income.

Leased Assets

Rentals payable under operating leases are charged to the income and expenditure account on a straight-line basis over the period of the lease.

Government grants

A social housing grant was received back in 2004 as a contribution towards the capital cost. The grant was previously deducted from the cost of the housing properties. However, as the housing properties are accounted for using the valuation model, grants should now be accounted for using the performance model which means that grants are recognised as income once the performance conditions have been met. This change has not altered the overall value of reserves.

Current Taxation

No taxation is payable by the charity, since it has charitable status and its activities are exempt from tax.

Value Added Tax

Irrecoverable VAT which can be attributed to capital items or revenue expenditure is added to the cost of the capital item or expenses where practicable and material.

Pension Costs

The charity operates a defined contribution scheme for the benefit of its employees. The costs of contributions are written off through the income and expenditure account in the year they are payable.

Dilapidations

Monies receivable in respect of dilapidations are generally not accounted for until they can be determined with reasonable accuracy.

Turnover

Turnover is measured at the fair value of the consideration received or receivable.

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from almshouse voids.

Interest and dividends receivable

Interest and dividend income is recognised as Tiverton Almshouse Trust's right to receive payment is established.

Key judgements and estimates

The following judgements and estimates have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

The corporate trustee has established a five-year cycle for investment properties to be valued by an external RICS qualified surveyor. In the intervening years the remaining properties are valued by the corporate trustee having regard to all risks, the yield, the strength of the market and comparison with similar properties.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

2. TURNOVER

	2023	2022
	£	£
Rents receivable excluding service charges	478,760	448,879
Service charges receivable	112,700	104,808
Rent and service charge losses from voids	(6,042)	(6,250)
Guest room income	3,270	1,950
Social Housing Turnover	<u>588,688</u>	<u>549,187</u>
Investment property income	<u>229,639</u>	<u>233,130</u>
	<u><u>818,327</u></u>	<u><u>782,317</u></u>

3. UNITS IN MANAGEMENT

	2023	2022
Social housing for older people	84	84
Warden accommodation	2	2
	<u>86</u>	<u>86</u>

4. OPERATING COSTS

	Support Costs £	Social Housing £	Investment Properties £	Total 2023 £	Total 2022 £
Estate management costs:					
Wages and salaries	-	54,514	21,384	75,898	78,579
Estate costs					
Repairs and maintenance	-	318,663	160,619	479,282	316,634
Professional fees	-	36,660	62,389	99,049	82,654
Utilities	-	86,090	23,651	109,741	134,218
Insurance	-	12,065	17,594	29,659	25,946
Sundry expenses	-	5,487	4,720	10,207	13,712
Waste	-	7,063	-	7,063	7,104
Cleaning	-	3,971	3,892	7,863	7,277
Administrative costs					
Wages and salaries	219,306	-	-	219,306	209,003
Staff costs	696	-	-	696	2,688
Office running costs	33,851	-	-	33,851	31,884
Audit services	8,400	-	-	8,400	4,158
Accountancy services	9,605	-	-	9,605	10,238
COVID19 expenses	100	-	-	100	307
PI insurance	578	-	-	578	578
Subscriptions	3,509	-	-	3,509	5,684
Bank charges	934	-	-	934	894
Depreciation	2,267	-	-	2,267	3,071
Profit/loss on disposal	-	-	-	-	78,000
Investment mgm't fees	9,780	-	-	9,780	9,852
	<u>289,026</u>	<u>524,513</u>	<u>294,249</u>	<u>1,107,788</u>	<u>1,022,481</u>
Apportionment	<u>(289,026)</u>	<u>156,640</u>	<u>132,386</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>681,153</u>	<u>426,635</u>	<u>1,107,788</u>	<u>1,022,481</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

5. OPERATING DEFICIT

	2023	2022
	£	£
Operating deficit is stated after charging:		
Operating leases - other assets	<u>1,524</u>	<u>1,524</u>

6. AUDITORS' REMUNERATION

	2023	2022
	£	£
Audit services	8,400	4,158
	<u>8,400</u>	<u>4,158</u>

7. BOARD OF DIRECTORS OF THE CORPORATE TRUSTEE AND KEY MANAGEMENT PERSONNEL REMUNERATION

	2023	2022
	£	£
The aggregate emoluments payable to key management personnel excluding employer pension contributions	72,358	78,579

The outgoing chief executive was not a member of the charity's defined contribution pension scheme. However, the charity made contributions to their personal pension plan. During the period the total amount contributed to the personal pension was £2,284 (2023: £5,170).

The Board of Directors of the corporate trustee received no expenses or remuneration in the year.

8. EMPLOYEE INFORMATION

	2023	2022
The average number of persons employed during the year expressed in full time equivalents (16 hours or more per week) was:		
Office staff	5	6
Wardens, cleaners and handyman	<u>4</u>	<u>4</u>
	<u>9</u>	<u>10</u>
	£	£
Staff costs (for the above persons)		
Wages and salaries	256,475	254,137
Employer's National Insurance Contributions	24,381	19,057
Other pension costs	<u>14,348</u>	<u>14,388</u>
	<u>295,204</u>	<u>287,582</u>

During the year no employee earned more than £60,000 (2022: one employee).

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2023	2022
	£	£
Interest received	15,005	6,383
Miscellaneous income	130	180
	15,135	6,563

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2023	2022
	£	£
Mortgage interest	23,701	15,031
	23,701	15,031

11. TANGIBLE FIXED ASSETS

	Housing Properties £	Investment Properties £	Freehold Property £	Computer Equipment £	Total £
COST OR VALUATION					
At 1 January 2023	4,144,378	2,856,676	425,000	18,191	7,444,245
Additions	-	-	-	825	825
Disposals	-	(450,000)	-	-	(450,000)
Revaluation	-	112,500	-	-	112,500
	4,144,378	2,519,176	425,000	19,016	7,107,570
DEPRECIATION					
At 1 January 2023	-	-	-	15,172	15,172
Charge for year	-	-	-	2,267	2,267
	-	-	-	17,439	17,439
NET BOOK VALUE					
At 31 December 2023	4,144,378	2,519,176	425,000	1,577	7,090,131
At 31 December 2022	4,144,378	2,856,676	425,000	3,019	7,429,073

HOUSING PROPERTIES

Housing properties includes freehold land and buildings, which are included at deemed cost of £3,962,000 (historic cost: £4,210,895).

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

INVESTMENT PROPERTIES

The corporate trustee has established a five-year cycle for investment properties to be valued by an external RICS qualified surveyor.

The freehold interest in 24 and 26 West Exe South, Tiverton were valued at 31 October 2023 by an external valuer Emily Kinver BSc (Hons) MRICS of Stratton Creber, Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards, SORP and FRS102.

For the 2023 year, all investment properties held were valued by the corporate trustee on the basis of fair value as at 31 December 2023.

Valuation is represented by:	2023	2022
	£	£
Historical cost	296,927	296,927
Revaluation	<u>2,222,249</u>	<u>2,559,749</u>
	<u>2,519,176</u>	<u>2,856,676</u>
Revaluation:	2023	2022
	£	£
Balance as at 31 December 2022	2,559,749	2,559,749
Revaluation	112,500	-
Disposals	<u>(450,000)</u>	<u>-</u>
Balance as at 31 December 2023	<u>2,222,249</u>	<u>2,559,749</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

12. INVESTMENTS HELD AS FIXED ASSETS

(Financial assets measured at fair value through the surplus/ (deficit))

	2023 £	2022 £
MARKET VALUE OF LISTED INVESTMENTS		
At 31 December 2022	3,491,472	3,797,008
Additions	108,204	229,499
Disposal proceeds	(61,210)	(244,989)
Realised gains/(losses)	5,474	(2,336)
Unrealised gains/(losses)	268,225	(312,097)
At 31 December 2023	<u>3,812,165</u>	<u>3,467,085</u>
Cash held as part of investment portfolio (movement)	(36,896)	24,387
	<u>3,775,269</u>	<u>3,491,472</u>
Historical cost	<u>2,626,806</u>	<u>2,603,782</u>

13. DEBTORS – ALL RECEIVABLE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors		
Social housing rent arrears	613	528
Social housing utility arrears	1,085	-
Other	3,564	5,575
	<u>5,262</u>	<u>6,103</u>
Prepayments and accrued income	31,938	43,110
Other debtors	5,602	8,319
	<u>42,802</u>	<u>57,532</u>

14. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Mortgages	27,559	29,404
Trade creditors and rents paid in advance	22,433	95,283
Other creditors and accruals	49,979	44,432
	<u>99,971</u>	<u>169,119</u>

15. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023 £	2022 £
Mortgages	<u>493,513</u>	<u>519,511</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

16. MORTGAGES

(Financial liabilities measured at fair value through the surplus/ (deficit)).

Analysis of maturity of debt:	2023 £	2022 £
Less than one year or on demand	27,559	29,404
Between one and two years	28,827	30,440
Between two and five years	94,769	97,916
After five years	369,917	391,155
	521,072	548,915

The mortgages mature in July 2037.

Capital is repayable in monthly instalments, which commenced in August 2004. Interest for both loans is calculated based on SONIA and include an Adjustment Spread.

The mortgages are secured on certain freehold housing and investment properties.

17. INCOME AND EXPENDITURE RESERVES

	2022 £	Surplus for year £	Revaluation £	Transferred £	Utilised £	2023 £
Extraordinary repair fund	810,503	-	-	(634,729)	(75,048)	100,726
Cyclical maintenance fund	68,512	-	-	38,718	(30,628)	76,602
Routine works	51,231	-	-	247,237	(241,217)	57,251
Other	487,320	(266,345)	117,679	348,774	346,893	1,034,321
	1,417,566	(266,345)	117,679	-	-	1,268,900

Tiverton Almshouse Trust has established a regular programme of works.

Part of other reserves has been earmarked by the corporate trustee for a particular purpose. Such designations may be reversed by future Trustee decisions.

Expenditure is taken through the income and expenditure account. A transfer is then made as appropriate.

18. CAPITAL AND RESERVES

Permanent Endowment

These reserves represent the historic value of the housing and investment properties together with the current value of any other investments that were held at the date of the merger and cash deposited with Standard Life on behalf of Alexandra Lodge Trust as at the date of the merger.

Expendable Endowment

These reserves represent the current value of any investments purchased since the merger.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

19. LEASING COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2023 £	2022 £
Not later than one year	1,524	1,524
Total	<u>1,524</u>	<u>1,524</u>

20. PENSION COSTS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £12,063 (2022: £9,218).

21. RELATED PARTY TRANSACTIONS

As at the 31 December 2023 two directors of Tiverton Almshouse Trustee Limited were councillors / employees of related Local Authorities.

Any transactions with the Local Authorities were at arms-length on normal commercial terms and these individuals were not able to use their position to their commercial advantage.

22. CONTROL

The ultimate controlling party is the board of directors of Tiverton Almshouse Trustee Limited

23. RECONCILIATION OF OPERATING SURPLUS / (DEFICIT) TO CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Surplus / (deficit) for the year	(70,146)	(529,507)
Mortgage interest paid	23,701	15,031
Interest received	(15,005)	(6,383)
Dividends received	(31,682)	(33,558)
Depreciation/impairment of tangible fixed assets	2,267	3,071
Realised (gain) / loss on disposal of investments	(5,474)	2,336
(Profit)/loss on disposal of tangible fixed assets	-	78,000
(Profit)/loss on disposal of investment properties	190,000	-
Unrealised (gains) / loss on investments	(268,225)	312,097
Revaluation on investment properties	(112,500)	-
(Increase) / decrease in trade and other debtors	14,730	(6,157)
Increase / (decrease) in trade and other creditors	(67,304)	68,480
Net cash flow from operating activities	<u>(339,638)</u>	<u>(96,590)</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

24 ANALYSIS OF CHANGES IN NET DEBT

	2022	Cashflows	Non-cash changes	2023
	£	£	£	£
Long-term borrowings	519,511	-	(25,998)	493,513
Short-term borrowings	29,404	(27,843)	25,998	27,559
Total liabilities	548,915	(27,843)	-	521,072
Cash and cash equivalents	(784,127)	132,314	-	(651,813)
Total	(235,212)	104,471	-	(130,741)

Registered Social Landlord number: A1070
Registered Charity number: 206984



Report of the Trustees and Audited Financial Statements
For the Year Ended 31 December 2023
For
TIVERTON ALMSHOUSE TRUST

TIVERTON ALMSHOUSE TRUST

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REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2023

The Corporate Trustee presents this report with the financial statements of the charity for the year ended 31 December 2023.

INTRODUCTION

The Corporate Trustee is pleased to report that the agreed objectives central to the work of the Tiverton Almshouse Trust of maintaining and improving core charitable activities, planning for the future and delivering a healthy financial position have been satisfied.

Tiverton Almshouse Trust is regulated by the Charity Commission and the Regulator of Social Housing (formerly the Homes and Communities Agency).

This report includes references to the Financial Statements attached and aims to address the regulatory requirements of the Regulator of Social Housing three economic standards: Value for Money, Governance and Financial Viability and the Rent Standard, throughout, as part of the reporting structure.

Total income in 2023 from charitable activities and other income was £865,144 (2022: £822,438). The total expenditure was £1,321,489 (2022: £1,037,512). The gain on investments was £273,699, which includes an unrealised gain of £268,225 and a realised gain of £5,474. In 2022 there was a deficit of £529,507. The deficit for the year 2023 was £70,146. This is due to important repair and maintenance works for the upkeep of the Trust's portfolio of properties, resulting in a higher than usual repair spend.

CODE OF GOVERNANCE

The Charities Code of Governance 2020 has been adopted by the Board in line with Charity Commission guidance. Tiverton Almshouse Trust falls between the Code for smaller and larger charities (defined as turnover below and above £1m respectively). The Board aspires to meet the recommendations set out for larger charities whilst maintaining a level of proportionality. The Code is produced by the NCVO, ICASA, ACEVO, Association of Chairs and the Small Charities Coalition with the oversight of The Charity Commission

1. OBJECTIVES AND ACTIVITIES

The objects of the Tiverton Almshouse Trust in the Scheme made by the Charity Commission dated 10 September 2009 (as amended by the Scheme dated 28 July 2014) are:

- a. the provision of housing accommodation for poor persons not less than 60 years old who have lived in the area of benefit for not less than 2 years prior to the appointment.
- b. such charitable purposes for the benefit of the residents as the Corporate Trustee decides
- c. the relief of persons resident in the area of benefit who are in financial hardship by:
 - i. making grants of money to them; or
 - ii. providing or paying for goods, services or facilities for them; or
 - iii. making grants to other organisations or institutions which provide goods, services or facilities for those in financial hardship.

The use of income and capital must firstly be applied to meet the proper costs of administering the charity and managing its assets (including repair and insurance of its buildings) and to make annual payments into the reserve funds considered necessary in the annual budget.

The remaining income to further the objects of the charity are made in the following order of priority:

- a. the benefit of the residents
- b. the relief of financial hardship of persons living in the area of benefit (which is Tiverton and environs).

The greatest activity within the Trust is the maintenance of its properties. In addition to almshouse accommodation, the Trust also owns investment property in Tiverton.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2023

The Board considers that the objects are still relevant to the work of the charity. The popularity of the almshouse accommodation, the low level of voids and the financial security of the organisation means that it achieves, and can sustain, its objectives.

Plans for the future address how those objectives can be taken forward to enable beneficiaries to continue to benefit from the Trust's charitable activities given the growing population of elderly and frail people.

Public Benefit

In carrying out the Trust's aims and objectives and in measuring achievements and performance, the Corporate Trustee has had regard to the Charity Commission's guidance dated February 2014 entitled "Public Benefit: rules for charities". Given that the Trust's objective is the relief of poverty (see objects above) only the benefit aspect of "public benefit" requires satisfying. The Commission specifies that the purpose of the charity must be beneficial in a way that is identifiable and capable of being proved by evidence where necessary and not based on personal views. The most quantifiable measure to identify whether the charity has a benefit to the local population eligible for accommodation is the low level of voids within the almshouses.

Tiverton Almshouse Trust almshouse properties are usually fully occupied with no voids (a void is defined as an empty flat awaiting allocation with no further redecorating or refurbishment required before it is occupied). The National Almshouse Association considers a 5% minimum void rate is acceptable and a void allowance of up to 12.5% may be suitable for small groups of almshouses, given the specific beneficiary group they serve. That would indicate that 4 to 9 of the Trust's properties could be void at any one time. The Trust had a voids rate of 1% throughout the year in 2023, under the above definition.

In line with the Trust's governing scheme 2009, the charity provides housing for local people over 60 years old and in financial need. Through regular advertising, open days, contact with Mid Devon District Council, and local voluntary agencies and local charities such as the Churches Housing Action Trust (CHAT), the Trust reaches a wide audience. The Trust has a list of eligible applicants waiting for accommodation and they are from a wide variety of backgrounds indicating that the Trust is reaching its beneficiary group. Nevertheless, the Corporate Trustee strives to raise the profile of the Trust within the town still further and the Strategic Plan has specific targets for ensuring wider awareness. The rigorous application of a points system ensures each applicant meets the required criteria, and this enables each applicant to be prioritised primarily based on financial, housing and social need. The applicant in greatest need at the time a vacancy arises is offered the accommodation regardless of how long they have been known on the list.

During 2023, ten vacancies arose (fifteen in 2022 and nine in 2021). The Trust was able to carry out significant refurbishment, including replacing kitchens and bathrooms with these larger projects taking on average six weeks to complete. The Trust was able to secure new residents immediately as it maintains a detailed list of eligible local people in need who had been previously interviewed so that they could be offered any vacant almshouses as soon as they were available. In some cases, in flats where minimal work was needed, the turnaround time was 4 weeks.

Properties

In total there are 84 almshouses, one unit at each of the two main sites was occupied by a resident Warden in 2023. The almshouses are on three geographically separate sites within Tiverton, namely:

- (i) Greenway Gardens, King Street (40 units)
- (ii) Sleees, Angel Terrace (3 units)
- (iii) John Greenway Close, Gold Street (41 units)

The accommodation is designed for independent living. As residents get older the Trust continues to support them for as long as possible and some residents receive third party care packages, social/community services assistance and support from the mental health team as required.

Tiverton Almshouse Trust owns the freehold of several commercial properties in the centre of Tiverton comprising retail shops and residential flats as well as two office buildings known as Raymond Penny House and John Greenway Building in the centre of town. The Trust also owns two terraced houses in Westexe, Tiverton.

Going Concern

After a detailed review and examining major areas which could give rise to significant financial risk, the directors are satisfied that no material exposures exist other than as reflected in these Financial Statements and the Trust has adequate resources to continue its operations for the foreseeable future.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2023

The Directors and management team review bi-monthly budgets with the external accountant, which include a minimum forecast 12-month period as well as a programme of works for 5 years. Cash liquidity is monitored through updated summaries of cash and investments which the board reviews in detail at the Finance and Property committee meetings and at the board meeting, quarterly. Throughout 2023 the Trust received independent pro-bono financial advice from Andrew Mayne from Stafford House Investments. Andrew previously supported the production of an annual report for 2022 which reviewed all investments in terms of risk. Tiverton Almshouse Trust is not dependent on investment income however, investments will be affected by market performance.

The Trust receives a steady income from commercial rents and weekly maintenance contributions from our almshouse residents, which meets our annual running costs. Large one-off projects regarding property development and/or significant repairs are reviewed against cash liquidity and available funds, which do not form part of the Trust's permanent endowed fund. Five-year quinquennial inspections have previously been carried out by Assinder Turnham & Co Ltd on all properties on a rolling programme, so the Trust can plan for large expenditure required over coming years and factor into our budget if affordable. In 2023, an inspection of our two properties in Westex South and the Market House in Bampton Street was carried out by Stratton Creber.

The Board and management team review our reserves and investment policies annually. We review our detailed risk register regularly, assessing potential financial risk areas including inflation, interest rate rises and any impacts these would have on the Trust. The Trust applies stress tests to potential risk scenarios related to our almshouse and commercial income and expenditure and how this may affect our budgets and strategic objectives.

2. ACHIEVEMENTS AND PERFORMANCE

Maintaining Properties

The Charity Commission Scheme clearly states that the main object of the charity is to provide almshouses for a specified group of local people. Income and capital must first be used to meet the proper costs of administering the charity and repairing, maintaining and insuring the buildings.

Total expenditure increased by £283,977 to £1,321,489 in 2023. The major factors that influenced this increase was the steep rise in repair costs post the COVID pandemic which totalled £162,648 compared to 2022 plus the loss on disposal of an investment property of £190,000. Note 4 to the Financial Statements provides a comparison and more detail is provided below.

In 2023, and in line with the quinquennial surveys, the Trust undertook a budgeted programme of works and cyclical maintenance. All significant contracts for programmed works and significant repair works were put out to tender. The specification and contract administration (including tender administration and reporting) were undertaken by Assinder Turnham & Co Ltd. Minor routine maintenance was undertaken either by the Trust's Maintenance Officer or by approved sub-contractors. Quotes are not required for work anticipated to be less than £3,000 to avoid inefficiency and wasted staff and sub-contractor time. Sub-contractors are required to breakdown labour and parts entries on invoices and provide discounts for regular work are often agreed. All invoices are reviewed three times before payment; by the Office Manager, the Chief Executive and finally a Director before being approved for payment. At the end of the year, all almshouse, residential and commercial properties were fully let.

Maintenance of Almshouse Properties

Of the £1,321,489 total operating costs and interest payable in 2023 for all properties (investment properties and almshouses combined) £318,663 was spent on almshouse maintenance by way of programmed works, chapel upkeep and renovation, replacement bathrooms and kitchens, external redecoration and where necessary, redecoration and refurbishment of the 10 flats that became vacant.

Increased regulation means increased routine checks, which continue to incur additional financial cost and staff time. The two most costly regulatory functions relate to legionella prevention and fire safety. The monthly, six-monthly, and annual checks for monitoring water hygiene systems to reduce the risk of legionella cost £7,564 in 2023 (2022: £6,616).

In 2023, the cost for the routine checking of fire detection systems was £2,480 (2022 £5,785). These checks are carried out by staff and specialist providers to ensure the Trust fulfils its legal obligations. The requirement to meet more robust guidance and regulations in buildings of differing ages and styles means the Trust is reliant on specialist contractors to carry out some of the works. Quotes are invited for these works and annual contracts are then awarded.

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2023**

Residents' Satisfaction Survey

The Trust is committed to improving services and to reviewing what are the most prominent issues and priorities for our residents by gathering their valuable feedback. The Trust conducts an annual residents' satisfaction survey. A summary of the previously published 2022 results are below.

The Chief Executive presented a revised, more robust set of Residents Survey questions to the Residents Services and Wellbeing Committee. In March 2024 these were unanimously agreed and adopted and will be used in the next survey to be run in June 2024.

Residents Satisfaction Survey	2022
Satisfaction with overall service	100%
Satisfaction with the overall quality of your home	100%
Satisfaction of feeling safe living in your almshouse	100%
Satisfaction that your weekly maintenance contribution provides value for money	97%
Satisfaction that your utility contribution charge provides value for money	97%
Satisfaction with repairs and maintenance	100%
Satisfaction that Tiverton Almshouse Trust listen to your views and acts upon them	95%

The Trust is a member of the benchmarking group Acuity to compare the annual costs of running the almshouse properties with similar almshouse charities and small housing associations across the country. Our level of residents' satisfaction scores will be able to be more robustly compared with other organisations when we have had the opportunity to run the revised survey questions. In 2023 the Trust sits just below the median for spend on reactive repairs and above for cyclical and major repairs.

Investment Property Maintenance

Expenditure on day-to-day maintenance on the Trust's investment properties was significantly less than on almshouse properties, which is to be expected given the tenancy agreements on the former which oblige commercial tenants to keep properties in good and tenable repair. In 2023 the routine and cyclical maintenance expenditure for the Trust on these properties was £51,535 (2022: £22,105), primarily consisting of servicing and general repairs.

Provision of Almshouse Accommodation

Tiverton Almshouse Trust is a social housing provider registered with and regulated by the Regulator of Social Housing. The Trust is also a registered charity with the Charity Commission. The main purpose of the organisation is to provide housing to local people over 60 years of age and in financial need. Applications are encouraged from anyone who believes they fulfil the basic three criteria and are scrutinised in line with an internally approved policy which is regularly reviewed to ensure consistency and relevance.

In 2023 both main sites had a resident Warden. The third site, known as Slees, is a historic building in the town centre comprising three flats. Residents at Slees are not visited regularly by a resident Warden but the Housing Manager will visit as necessary. This is because, in general, residents at Slees need to be more independent and mobile due to the restrictive historical layout.

The Warden's remit is to ensure the daily well-being of all residents and although they are not medically trained and do not provide personal care, they can assist residents in day-to-day living. Their role can be described as "being a good neighbour". There is a 24-hour emergency call system (Tunstall) within the Greenway Gardens and John Greenway Close sites, enabling residents to access emergency help at all times of the day and night. The Wardens maintain regular contact with family members when necessary or when a resident is unwell. Wardens also provide a variety of optional social activities, held in the community rooms at each of the two main sites.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2023

There are four meetings a year attended by appointed Directors of the Residents Services and Well-being Committee, the Housing Manager and Chief Executive Officer to discuss resident issues and management of the sites. Directors on this committee review the waiting list for vacant almshouses and are updated on informal chats with potential new applicants to determine eligibility for almshouse accommodation.

In 2023, residents paid a Weekly Maintenance Contribution (WMC) for their accommodation and a contribution to water supply and gas (Utility Contribution). Weekly Maintenance Contributions varied from £94.04 per week to £126.63 per week depending on the accommodation that is provided. In addition, all residents paid a £26.73 Utility Contribution based on single occupancy and £33.42 per week based on double occupancy.

The Corporate Trustee aims to keep resident contributions as low as possible considering the rent standard provided by the Regulator of Social Housing (RSH) and equivalent fair rent assessments from the Valuation Office Agency (VOA). The latest VOA assessment was undertaken in 2023. In addition, the Chief Executive consults with Mid Devon District Council on any WMC increase to ensure that those residents who require assistance can access 100% of the rent payment through housing benefit if eligible.

The Corporate Trustee strives to ensure a fair, consistent and transparent process when allocating Almshouse accommodation. There is an approved policy within the Trust to promote its services via the Trust's website and to maintain regular contact with local support organisations such as the Churches Housing Action Trust (CHAT) as well as Devon Home Choice (the bidding portal for local authority housing and housing associations). Promotional material is located in Mid Devon District Council's reception. All applicants complete a detailed application form, including a financial information section and are interviewed by the Housing Manager and CEO. A points system is in use to ensure consistency. Those applicants placed on the list awaiting allocation are regularly reviewed and applicants are encouraged to keep in touch with the Housing Manager.

A good working relationship with Mid Devon District Council and local housing charities ensures a wide-ranging local awareness of the almshouses which includes articles in the local paper and an active use of social media. Innovative ways to widen the search for applicants are always considered. Once an applicant is accepted in principle, a priority weighting system ensures the applicant in greatest need is offered any vacancy first, in accordance with our governing scheme.

The continuing lack of residential care homes within the town and surrounding area means that our residents are staying in their homes longer than in previous times. Social care support is now provided at home and hospital admissions are generally reserved for emergencies, which means that care agencies and health professionals are frequently on site and we work together in partnership for the benefit of the residents.

Alexandra Lodge

Planning permission was granted in 2015 to Abbeyfield, formally The Abbeyfield Society, for a 45-bed extra-care unit at Alexandra Lodge. The freehold of the property is owned by Tiverton Almshouse Trust and following planning permission, a 250-year lease was signed to Abbeyfield. Progress has been slow and the site is now in a state of severe disrepair in the main due to the lack of action of Abbeyfield in the re-development of the site. Abbeyfield has declared that they no longer see the development as a viable proposition. Tiverton Almshouse Trust is in communication with Abbeyfield to best understand future options that ensure the site is able at some point in the future to be developed by another organisation, ultimately to benefit the people of Tiverton.

Relief of Financial Hardship

The additional objectives of the charity allow for the relief of poverty for local people who are in financial hardship by making grants of money to them or making grants to other organisations or institutions with similar aims. The amount of money donated to achieve this objective is considered by the Corporate Trustee at the AGM each year and the donation may be approved to a local organisation with similar aims. No donations were made in 2023.

3. **FINANCIAL REVIEW**

The Corporate Trustee reviews its reserves and the non-designated funds and expendable endowment to be used for "the proper costs of administering the charity and of managing its assets" (Charity Commission Scheme September 2009). A Reserves Policy addresses the Expendable Endowment and designates funds to the actions approved in the strategic plan. There are regular reviews of operational risks and requirements and sufficient reserves are maintained to address these requirements.

As stated in the Investment policy, the objective of the Corporate Trustee in holding investments within a share portfolio is to produce the best financial return and capital growth within an acceptable risk and to balance the

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2023**

income and capital return.

The four risks identified in the report last year still stand, namely:

- i. Capital growth not keeping up with inflation thereby leading to a decline in the real value of the investment
- ii. Fluctuating income from share portfolios and deposit accounts due to the wider economic environment
- iii. Bank default
- iv. The unknown effect of the current financial economic situation

To limit the above risks, the Board has delegated certain decisions to the Finance and Property Committee (which consists of over half of the Board's number) including allowing those members to re-invest maturing funds subject to the current Financial Services Compensation Scheme Limit. This allows decisions to take advantage of available investment offers (especially fixed rate bonds open for a short time) by acting in a timely manner. All investments, apart from those held within share portfolios, are monitored at every committee meeting.

Shareholding portfolios are managed by professional brokers and/or fund managers and an annual review is undertaken at the November board meeting of the Corporate Trustee. An external investment review takes place annually.

The Corporate Trustee has considered ethical investments to ensure that investments are not made in companies with values not aligned to those of the Trust and has therefore put restrictions on investing in any fund that is linked to the production or sale of tobacco.

It also considered companies who seek to make people homeless, however, this is difficult to monitor and enforce. It was decided not to impose this ethical restriction. The Corporate Trustee accepts that the ethical values of individual directors must not compromise policy decisions.

The Statement of Comprehensive Income, and supporting note 2, shows that income received from almshouse residents' weekly contributions (including service charges) has increased by £30,289 (6.85%), primarily as a result of the annual review of charges in April. The Corporate Trustee is mindful of maximising income (for the charity's future sustainability) commensurate with fulfilling the Charity Scheme objective to ensure no resident suffers financial hardship.

Operating costs (note 4) show some changes from the previous year. Overall wage costs are up by £7,622 compared to 2022, the increase is as a result of cost-of-living wage increases and one-off performance related payments made to staff during the year.

The income from fixed asset investments (shareholdings and deposits) increased by £6,746 over the year despite the continued volatile market caused by the war in Ukraine. The portfolio of investments is valued in 2023 at £3,775,269 (2022: £3,491,472).

The annual total return on the managed portfolio is reflected in Note 12, with realised and unrealised gains of £273,699 (2022: £314,433 loss).

Rents receivable from investment properties have decreased marginally to £229,639, compared to the 2022 year (£233,130).

Professional valuations are undertaken on our commercial and residential investment properties, on a five-year rolling programme. This year, formal valuations were carried out on the Trust's two investment properties in Westex South and The Market House. Almshouse properties are included under the cost model and do not form part of the annual valuation cycle.

Permanent endowment (identified as investment properties, housing properties and other investments agreed as such by the Charity Commission as part of their investigations prior to the merger in 2009) has increased from £8,710,634 to £8,744,381, reflecting an upwards revaluation and unrealised gains on investments, less a disposal of a high reputational risk investment property.

Other Reserves of £1,268,900 shown in the Statement of Financial Position are identified in note 17 and split into:

1. The Extraordinary Repair Fund (ERF) funds the unforeseen expenditure necessary to carry out the Trust's objectives. It also includes Programmed Works, which are based on the five-year budget

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2023

forecast, the quinquennial surveys and condition surveys that are carried out for the Trust on a regular basis to ensure that there is a rolling programme of maintenance.

2. The Cyclical Maintenance (CMF) fund provides monies for work to maintain properties that is undertaken every so often on a regular, but not annual, basis, such as redecorating almshouses when a resident moves out.
3. Routine works include routine maintenance of the Trust's properties to ensure they remain safe, secure and fit for purpose.

The mortgage debt for the 2004 development of thirty-two new almshouses at John Greenway Close remains the single largest financial commitment. The financial statements show the annual interest payment for the year £23,701 and reduction in the value of the outstanding mortgage of from £548,915 (2022), to £521,072 in 2023.

The mortgage is held in two separate accounts, one fixed until 2032 and one variable allowing just over half of the sum owing to be paid off at any time should Directors deem it prudent to do so.

4. PLANS FOR THE FUTURE

A three-year strategic plan is in place for 2022-2025 with the following objectives:

- Maintain – to ensure residents are provided with good quality homes.
- Develop and collaborate – to develop more quality homes in Tiverton for older people in need, independently as a Trust or with potential partners.
- Profile – to raise the Trust's profile, ensuring there is an awareness of what we offer to benefit older people locally.
- Investment – to invest in the Trust's properties, staff, and technology to ensure the Trust is as efficient and sustainable as possible to secure its future.

5. CHARITY STRUCTURE, GOVERNANCE AND MANAGEMENT

Tiverton Almshouse Trust is regulated by The Charity Commission and the Regulator of Social Housing (formerly the HCA). Under the latter, it is classed as a Registered Provider of social housing. In 2014 a new Charity Commission Scheme changed the way the Trust was governed. Tiverton Almshouse Trust is a registered charity with the objects outlined above (see section 1). The 2014 Scheme gave permission for the charity to have one corporate trustee rather than twelve individual trustees and, as a result, a new company limited by guarantee known as Tiverton Almshouse Trustee Ltd was established to be that sole trustee.

Within the company (the Corporate Trustee) are the twelve voluntary directors (previously called Trustees). The Tiverton Almshouse Trust Scheme provides the Corporate Trustee with the same powers as before and the Articles of Association provide further provisions. The incorporated structure is more recognisable to banking and commercial sectors and provides directors with increased indemnity protection.

The Directors have a term of appointment of five years. Directors can be re-appointed and there is no maximum number of terms for re-appointment. Directors due for retirement on the rotation basis, are interviewed by the Recruitment and Remuneration Committee under an agreed procedure which remains the same for all Directors.

A set series questions probing the interviewee's commitment to the charity and its purpose, the time available for the necessary workload, the skills that can be brought to the Board and the individual's hopes and aspirations for the charity for the next five years are all discussed in depth and reported back to the Board at the AGM when re-appointments are decided. In this way the Board can retain committed and energetic Directors regardless of their length of term.

Prior to appointment and re-appointment Directors must sign the Charity Commission's Declaration of Eligibility to serve. At each meeting of the Board and committees, all potential, real and perceived conflicts of interest, loyalty and perception are declared, recorded and discussed. In the event of a conflict or likelihood of a conflict the Director in question is asked to leave the room at the appropriate time or refrains from voting on the matter in question.

At the end of 2023, the Board had eight Directors (out of a maximum of twelve permitted under its Articles of Association). The Board considers that it has a wide range of the necessary skills and attributes but will actively be seeking additional Directors in 2024. The internal audit of the Board takes place at the AGM in May.

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2023**

Directors

Name	Position	Date appointed/resigned	Skills and experience
Diana R Hewitt	Chair	Appointed 21 May 2021	Retired Director
John A Pulford	Director	Reappointed 14 May 2019	Retired Local Government Officer
Roger M Stickland	Director	Appointed 6 July 2021	Retired Director
Brian C Berry	Director	Appointed 26 July 2021	CEO Federation of Master Builders
Steve Esau	Director	Appointed 9 May 2023	Surveyor
Richard R Ives	Director	Appointed 20 November 2023	IT Consultant
Brenda Stanley	Director	Resigned 9 May 2023	Retired Businesswoman
Michael H C Biggin	Director	Resigned 9 May 2023	Retired Finance Manager
John N Rendle	Director	Resigned 19 August 2023	Businessperson

Nominated directors appointed by Tiverton Town Council:

Timothy Bridger	Director	Appointed 20 November 2023	Town Councillor
Leslie Cruwys	Director	Appointed 20 November 2023	Town Councillor
Wallace Burke	Director	Resigned 9 May 2023	Town Councillor
Claudette Harrower	Director	Resigned 9 May 2023	Town Councillor

Office of the Trust

The office of the Tiverton Almshouse Trust is: The Market House, 18 Bampton Street, Tiverton, Devon EX16 6AA.

Trust Staff

P Dummett	Chief Executive
N Anderson	Office Manager
N Askew	Housing Manager
L McDonald	Property Manager
L Murphy	Administrator
G Strong	Maintenance Officer
M Pike	Housekeeper/Cleaner

Wardens

L Brooks	Warden, John Greenway Close
E Kerrigan	Resident Warden, Greenway Gardens

Advisors to the Trust

Auditors:	PKF Francis Clark, Centenary House, Exeter, Devon
Accountants:	William Withers & Co., Quayside House, Tiverton, Devon
Bankers:	Unity Trust Bank, 9 Brindley Place, Birmingham
Solicitors:	Ashfords, Gotham House, Tiverton, Devon
Investment advisors:	Rathbones, Keble House, Southernhay Gardens Stafford House Investments, Aintree House, Taunton
Exeter Commercial surveyors:	Stratton Creber, 20 Southernhay West, Exeter
Property Surveyors:	Avison Young, One Kingsway, Cardiff Assinder Turnham, 6/7 Southernhay West, Exeter

Structure of the Trustee's Board of Directors

The Board of Directors comprises of an elected Chair who is voted a year of office at the AGM held every May. The Board of Directors meets quarterly each year at the Trust's offices where possible and by video call. No business may be transacted at a Board meeting unless four Directors are present as a quorum.

In addition, there are four committees:

1. Finance and Property which meets quarterly.
2. Residents' Services and Well-being which meets quarterly.
3. Audit and Risk which meets quarterly.

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2023**

4. Recruitment and Remuneration which meets in November to review Director vacancies prior to the AGM and to review staff salaries for the following year.

Following the incorporation, Directors approved a governance policy covering the way business is transacted within the committees and within the main board in line with the Articles of Association. The governance policy was reviewed in April 2021.

Director Vacancies

Vacancies for nominated Directors are filled by Tiverton Town Council held in accordance with the ordinary practice of the Town Council. They elect two councillors as their representatives on the Trust's Board and the term is for four years.

The Articles allow for retirement by rotation meaning that at each AGM one-fifth of the elected Directors retire from office. Retiring Directors can re-apply for another term and will be asked to meet with the Recruitment and Remuneration committee prior to the AGM to discuss their application (see above and below).

The approved policy for recruiting new Directors is to advertise following a skills audit of the board and includes provisions for appointment, declarations and managing conflicts of interest/loyalty.

Once appointed, the new Director is encouraged to visit all the almshouse sites (if they have not already done so) accompanied by the CEO or Housing Manager. In addition, the new Director is invited to sit as an observer on all committee meetings for a period of at least six months to enable them to become familiar with workings of the Trust and the day-to-day issues. After the six-month induction, the new Director is encouraged to participate within one or more committees when appointments are made at the AGM.

Appointment and Training of staff

Members of staff are appointed in accordance with the approved policy. Remuneration of all staff is reviewed on an annual basis and increases are based upon a comparison with public sector and private sector pay settlements. When available more specific comparisons are made with other almshouse or housing charities of the same size and operation. A rolling programme of training is operated including fire procedures, cyber security, health and safety risk assessments, food hygiene, first-aid, working at height, safeguarding, lone-working, mental health awareness and data protection. The Almshouse Association provides the most relevant and practical forum for Directors and staff training.

Applying the Charities Code of Governance 2020

The Corporate Trustee has considered, in detail, the best practice guidelines within the Code. There is an obligation upon charities to apply the Code or explain why they have not.

Some guidelines are not applied for good reason. Contracts with local sub-contractors undertaking small-scale routine maintenance work are kept as verbal contracts in the interest of speed, efficiency, and experience of comparative costs.

Regarding Director appointments, the Corporate Trustee has agreed that next year it will review the maximum length of Director appointments to ensure the Trust is following best practice guidance, being mindful of the balance between continuity and the need to ensure that the skills, experience, and knowledge amongst Directors are refreshed on an ongoing basis.

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2023**

Applying the Value for Money Standard 2018

Tiverton Almshouse Trust is a registered social provider and, as such, publishes annual evidence within these statutory accounts to enable stakeholders to understand its performance as compared with the metrics set out by the regulator, compared to those in our peer group and addresses any areas of underperformance.

Tiverton Almshouse Trust is a member of the Acuity Benchmarking Group for small social housing providers and a second annual benchmarking report has recently been submitted. Improvements we have made in collecting and collating our data this year have increased the accuracy of the submitted figures.

The Trust scored very highly in terms of resident satisfaction and repairs performance. Management of voids, regarding costs and the time to turn these around, were at the lower end of the median but it was clear that there were some differences in how organisations accounted for this element of the process.

WMC collection and arrears were below the average and our spending per property is in line with similar costs across comparable organisations.

The Trust's repairs and maintenance costs are above average in some cases, as are overheads. But when considered as a proportion of our turnover, it returns the Trust to the median line.

Our Major and Cyclical works are high compared to other organisations in part due to which type of services which are considered Cyclical by different organisations; the Trust has recorded the Tunstall emergency call system as cyclical, for example.

The standard refers to activities across the board and includes activities relating to the Trust's investment properties where relevant.

There are seven metrics within the standard:

1. **Reinvestment** (the scale of investment into existing housing, acquisition or development of new housing in relation to the size of the asset base). This metric looks at the investment in properties as a percentage of the value of total properties held. The Trust did not acquire or develop any new housing in 2023 and currently operates 84 social housing units. The measure for the Trust in 2023 is 7.69% (2022: 7.11%). In both years the expenditure on existing properties has been a combination of programmed installation of windows, external painting, refurbishments of bathrooms to shower rooms and a rolling programme of repairs. The section on Maintenance of Almshouses contains further detail.
2. **New supply delivered** (units acquired or developed in the year as a proportion of existing housing stock). Given there were no additional units acquired the measure is zero (2022: zero).
3. **Gearing** (Proportion of borrowing in relation to the size of the asset base). The Trust's borrowing relates to a mortgage taken out in 2004 when the new development of 32 houses was built. The loan is valued at £521,072 at 31 December 2023 representing a gearing of 12.57% (2022: 13.24%). The board continues to review annually the financial benefits of paying off part of the mortgage that is unfixed versus the interest and return on investments.
4. **Earnings before interest, tax, depreciation and amortisation major repairs included** (Indicates liquidity and investment capacity). The EBITDA MRI interest cover seeks to measure the level of surplus that is generated compared to interest payable. The Trust's measure for 2023 is negative 1,037.19% (or 10.37 times). 2022: 1,278.08% (or 12.78 times).
5. **Social housing cost per unit** The Trust's social housing cost per unit for 2023 was £3,990, (2022: £3,794) the applicable costs related to management, repairs and maintenance and service.
6. **A Operating Margin % (Social Housing Lettings Only)** demonstrates the profitability of operating assets before exceptional expenses are taken into account. In calculating this only operating costs directly attributable to social housing costs have been included, the margin for the Trust for 2023 was 10.90% (2022: 15.91%).

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2023**

B Operating Margin % (Overall) as above however including all operating costs against social housing income and rents receivable from investment properties the margin for the Trust for 2023 was negative 34.80% (2022: negative 30.70%). The Trust's total expenditure (note 4) has increased compared to 2022.

7. Return on capital employed % (ROCE) the metric compares the operating surplus to total assets less current liabilities, the Trust's ROCE for 2023 was negative 2.33% (2022: negative 1.86%).

Managing Risk

The Corporate Trustee regularly reviews the potential risks to the Trust and aims to take a balanced and proportionate view. Professional advice is taken where necessary and regularly.

Where decisions are taken to commit significant financial resources, the financial return is considered along with the social investment return and the furtherance of the charitable objectives.

Nevertheless, the corporate trustee is acutely aware of the potential risks facing the Trust and a rigorous system of checks and balances is in place and reviewed regularly. A detailed risk register serves to prioritise governance, operational, compliance and external factors that pose the greatest concern and a management plan is enforced to reduce exposure. Greatest risks can be grouped according to residual risk priority and summarised as follows in order of concern:

- i. Regulatory and Statutory
 - a. Changes in government policy leading to reduced income, increased regulation and therefore increased expense and staff time.
 - b. Maximising the positive impact upon beneficiaries but ensuring this is within the parameters of the Charity's objects.
 - c. Governance matters that arise from a small staff team (such as dependence on key staff).
 - d. Recognising the potential for conflicting interests and loyalties given the directors within the corporate trustee are local lay people with numerous local connections and local businesses.
 - e. Reducing the possibility of unknown changes in legislation and regulation (sometimes originating in indirect departments).
- ii. Specific risk mitigation measures relevant to the Financial Statements:
 - a. Fraud: Day-to-day administration procedures are undertaken to reduce the risk of fraud and certain functions (such as payroll) are outsourced. Internal financial reviews are undertaken as good practice, also a Fraud Policy and Fraud Response Plan was implemented to the robust list of policies and procedures already in place.
 - b. Loss of Income (Property): Measures are taken to minimise almshouse voids (see report above) by advertising and maintaining close working relationships with local organisations and the local authority. Commercial rent levels have dropped in recent years due to the uncertain economic climate preceded by a recession, but staff strive to ensure good working relationships with commercial tenants, keep the properties in good working order and keep close monitoring of rental payments to minimise the risk of arrears and to maintain continuity of tenants.
 - c. Loss of Income (other assets): An annual investment review is held every November and monitored every two months by the Finance and Property Committee. An approved Investment Policy is reviewed every year. Discretionary power has been given to the Trust's brokers who manage the largest portfolio, other investment providers are managed funds or deposit accounts. The Corporate Trustee aims for a wide variety of deposit accounts balancing long term and short-term investments and, as far as reasonably possible, invests no more than the maximum cover provided by the Financial Services Compensation Scheme.
 - d. Unforeseen Property Repair Costs: Quinquennial surveys are commissioned, and the results incorporated into a rolling programme of maintenance within the budget forecast. Unforeseen works are therefore restricted to extraordinary events (such as flooding because of a leak) and usually covered by insurance. Routine maintenance is seen as a core activity.

The Chief Executive is responsible for the day-to-day management of health and safety matters and Directors are aware of their statutory duties under legislation through regular committees. Health and safety risk assessments are carried out annually by the Property Manager. Fire risk assessments are also carried out annually by the Property Manager.

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2023**

A comprehensive list of policies and procedures is reviewed on a one - three-year rolling programme or because of changing legislation or best practice guideline, whichever is the soonest. Regular staff meetings ensure that new procedures are implemented.

A fire drill is held annually.

Residents are encouraged to ask questions and provide feedback verbally, or in writing or through suggestion boxes on site. The Chief Executive sends an annual report to all residents with the results from the residents' satisfaction survey. The Chief Executive holds a residents' drop-in each month on both of the large almshouse sites for residents to individually ask questions and give their feedback.

Staff meetings for office employees, including line managers take place weekly for the management team and bi-weekly for the full staff team.

Directors and staff remain vigilant on matters of risk and continue to seek advice and updates from legal bodies, the Charity Commission, the Social Housing Regulator, and the Almshouse Association.

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2023**

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

- The Corporate Trustee of the charity which held office at the date of approval of these Financial Statements as set out above, confirms, so far as it is aware, that:
 - there is no relevant audit information of which the charity's auditors are unaware; and
 - it has taken all the steps that it ought to have taken as Corporate Trustee in order to make itself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

○ Approved at a meeting of the Corporate Trustee held on.....*07 MAY 2024*

○ Signed on its behalf by:

- Mrs Diana R Hewitt – Director (Chair)
- Mr Patrick R Dummett (Chief Executive)

DR Hewitt

P

07.05.2024.

**TIVERTON ALMSHOUSE TRUST
STATEMENT ON INTERNAL CONTROL SYSTEMS
YEAR ENDED 31 DECEMBER 2023**

The Corporate Trustee is responsible for maintaining a sound system of internal control which:

- focuses on the significant risks that threaten the organisation's ability to meet its objectives; and
- provides reasonable assurance of the safeguarding of assets.

The Corporate Trustee is also responsible for reviewing the effectiveness of the system of internal control.

The internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the charity is ongoing. This process has been in place for the year ended 31 December 2023 and up to the date of approval of the Corporate Trustee's report and financial statements and is regularly reviewed by the Corporate Trustee.

Experienced and suitably qualified management staff take responsibility for important business functions. Appraisal procedures have been established to maintain the standards of performance.

All significant new initiatives, major investments and investment projects are subject to formal authorisation procedures, through the Finance and Property Committee and/or the Board.

The Property and Finance Committee reviews reports from senior staff on behalf of the Board and from the external accountants and separate auditors to provide assurance that control procedures are in place and are being followed. The Property and Finance Committee informs the Board in this regard on a regular basis.

Procedures have been established for instituting appropriate action to correct weaknesses identified from the above report.

**TIVERTON ALMSHOUSE TRUST CORPORATE TRUSTEES'
RESPONSIBILITIES STATEMENT
YEAR ENDED 31 DECEMBER 2023**

The Charities Act 2011 and registered social housing legislation require the Corporate Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its income and expenditure for that period.

In preparing these financial statements, the Corporate Trustee is required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Corporate Trustee is responsible for keeping proper accounting records which 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 Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022. The Corporate Trustee has general responsibility for taking reasonable steps to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT
TO THE CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST**

Opinion

We have audited the financial statements of Tiverton Almshouse Trust for the year ended 31 December 2023 which comprise the Statement of comprehensive income (including income and expenditure account), Statement of financial position, Statement of changes in equity and reserves, Statement of cash flows and notes to the financial statements, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022

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 UK, including the FRC'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 director's 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 year of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the Corporate Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The Corporate Trustee is responsible for the other information. The other information comprises the information included in the report of the corporate trustee, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST (CONTINUED)**

Opinion on other matter prescribed by the Charities Act 2011

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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 Corporate Trustee's 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.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of Corporate Trustee

As explained more fully in the Corporate Trustee's Responsibilities Statement (set out on page 16), the Corporate Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporate Trustee 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 Corporate Trustee is 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 Corporate Trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Based on our understanding of the Trust and nature of the business, we identified the principal risks of non-compliance with laws and regulations as being those which have a direct impact on the preparation of the financial statements, such as The Charities Act 2006, and relevant tax legislation (VAT etc.), as well as legislation governing responsibilities as a social housing landlord. We considered the extent to which non-compliance with these laws and regulations may have a material effect on the financial statements.

**INDEPENDENT AUDITOR'S REPORT
TO THE CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST (CONTINUED)**

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Based on this understanding we designed our audit procedures to identify irregularities. Our procedures involved the following:


- Enquiries of those charged with governance, regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements.
- Review of minutes of meetings of those charged with governance.
- Evaluation of the effectiveness of management's controls designed to prevent and detect irregularities including those applicable to social housing landlords.
- Challenging assumptions and judgements made by management in its significant accounting estimates.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's corporate trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Charity's corporate trustee those matters we are required to state to the corporate trustee 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's Corporate Trustee as a body, for our audit work, for this report, or for the opinions we have formed.


PKF Francis Clark, Statutory Auditor

Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE
Date:

7/5/24

PKF Francis Clark is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

TIVERTON ALMSHOUSE TRUST
STATEMENT OF COMPREHENSIVE INCOME (INCLUDING
INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED
31 DECEMBER 2023

	Note	2023 £	2022 £
Turnover	2	818,327	782,317
Less: Operating costs	4	<u>1,107,788</u>	<u>1,022,481</u>
Operating deficit	5	(289,461)	(240,164)
Income from fixed asset investments		31,682	33,558
Interest receivable and similar income	9	15,135	6,563
Interest payable and similar charges	10	(23,701)	(15,031)
Unrealised/realised gains and losses on investments	12	273,699	(314,433)
Profit/(loss) on disposal of investment properties		(190,000)	-
Revaluation of properties		<u>112,500</u>	<u>-</u>
Surplus on ordinary activities for the year before tax		<u>(70,146)</u>	<u>(529,507)</u>
Tax on surplus on ordinary activities		-	-
Surplus / (deficit) for the year after tax		(70,146)	(529,507)
Total comprehensive income for the year		<u><u>(70,146)</u></u>	<u><u>(529,507)</u></u>

Signed on behalf of the corporate trustee on...07...MAY 2024

Mrs Diana R Hewitt – Director (Chair)



The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF FINANCIAL POSITION YEAR ENDED
31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible fixed assets	11		4,144,378		4,144,378
Investment properties	11		2,519,176		2,856,676
Other fixed assets	11		426,577		428,019
Investments	12		3,775,269		3,491,472
			<u>10,865,400</u>		<u>10,920,545</u>
Current assets					
Debtors	13	42,802		57,532	
Cash at bank and in hand		<u>632,043</u>		<u>727,460</u>	
			674,845		784,992
Creditors: amounts falling due within one year	14	99,971		169,119	
Net current assets			574,874		615,873
Total assets less current liabilities			11,440,274		11,536,418
Creditors: amounts falling due after more than one year	15		493,513		519,511
			<u>10,946,761</u>		<u>11,016,907</u>
Capital and reserves					
Permanent endowment	18		8,744,381		8,710,634
Expendable endowment	18		933,480		888,707
Income and Expenditure reserves	17		1,268,900		1,417,566
			<u>10,946,761</u>		<u>11,016,907</u>

These financial statements were approved and authorised for issue by the corporate trustee on

07 MAY 2024

and signed on its behalf by:

Mrs Diana R Hewitt - Director



The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF CHANGES IN EQUITY AND RESERVES
YEAR ENDED 31 DECEMBER 2023

	Permanent Endowment £	Expendable Endowment £	Other Reserves £	Total £	2022 £
At 31 December 2022	8,710,634	888,707	1,417,566	11,016,907	11,546,414
Surplus for year before gains and losses from investments	-	-	(266,345)	(266,345)	(215,074)
Unrealised/realised gains and losses on investments	111,247	44,773	117,679	273,699	(314,433)
Revaluation of tangible fixed assets	112,500	-	-	112,500	-
Profit/loss on disposal of investment properties	(190,000)	-	-	(190,000)	-
Total comprehensive income	33,747	44,773	(148,666)	(70,146)	(529,507)
Transfers	-	-	-	-	-
At 31 December 2023	8,744,381	933,480	1,268,900	10,946,761	11,016,907

The annexed notes form part of these financial statements.

**TIVERTON ALMSHOUSE TRUST
STATEMENT OF CASHFLOWS
YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	£	£
Net cash flow from operating activities	Note 23 (339,638)	(96,590)
Cash flow from Investing activities		
Payments to acquire tangible fixed assets	(825)	(185,305)
Receipts from sale of fixed assets	260,000	-
Proceeds from Investments	61,210	244,989
Purchase of investments	(108,204)	(229,499)
Interest received	15,005	6,383
Dividends received	31,682	33,558
Net cash flow from Investing activities	<u>258,868</u>	<u>(129,874)</u>
Cash flow from financing activities		
Repayment of long-term loans	(51,544)	(45,681)
Net cash flow from financing activities	<u>(51,544)</u>	<u>(45,681)</u>
Net Increase / (decrease) in cash and cash equivalents	(132,314)	(272,145)
Cash and cash equivalents as at 1 January 2023	784,127	1,056,272
Cash and cash equivalents as at 31 December 2023	<u>651,813</u>	<u>784,127</u>
Cash and cash equivalents consist of:		
Cash at bank and in hand	632,043	727,460
Cash held as part of investment portfolio	19,770	56,667
	<u>651,813</u>	<u>784,127</u>

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information and basis of preparation

Tiverton Almshouse Trust is incorporated under the Charities Act 2011 and is a Registered Provider of Social Housing in the United Kingdom.

Tiverton Almshouse Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2022, and the Charities Act 2011.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements are prepared in sterling, which is the functional currency of Tiverton Almshouse Trust and rounded to the nearest £.

The registered office is disclosed in the Report of the Corporate Trustee.

Housing properties

Housing properties are principally properties available to beneficiaries of the trust in return for weekly maintenance contributions.

Housing properties are included at deemed cost and are reviewed for impairment at the end of each reporting period.

Investment Properties

Investment properties are principally properties available to tenants of the trust in return for a commercial rent.

Investment properties are included at valuation, representing fair value and at each reporting date any changes in fair value are recognised in the statement of comprehensive income. Professional valuations are undertaken on a 5-year rolling cycle.

Investment properties are reviewed for impairment at the end of each reporting period.

Fixed assets and Depreciation

Other fixed assets are stated at cost, less accumulated depreciation. Depreciation is charged on a straight-line basis at rates anticipated to write off the cost of the asset, at the following annual rates:

Housing & freehold properties	Nil
Computer equipment	33.33% straight line

There is no depreciation charged this year against housing properties or freehold property as the corporate trustee believes the residual values are not lower than the current carrying value in the balance sheet. This opinion is based on the valuation of The Market House offices in 2018 and the valuation work done on the housing properties in 2019. It is the corporate trustee's opinion that the local housing market remained static over the 2023 year, and they will be reviewing this throughout the 2024 financial year.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently they are measured at fair value through the statement of comprehensive income.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

Debtors and creditors receivable/payable within one year

Debtors and creditors payable within one year are recorded at transaction price.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs and then subsequently adjusted for principal repayments and interest charged.

Revaluation surpluses and deficits

Where market value is not readily available, the corporate trustee estimates market value. Revaluations of investments are reported in the Statement of Comprehensive Income.

Leased Assets

Rentals payable under operating leases are charged to the income and expenditure account on a straight-line basis over the period of the lease.

Government grants

A social housing grant was received back in 2004 as a contribution towards the capital cost. The grant was previously deducted from the cost of the housing properties. However, as the housing properties are accounted for using the valuation model, grants should now be accounted for using the performance model which means that grants are recognised as income once the performance conditions have been met. This change has not altered the overall value of reserves.

Current Taxation

No taxation is payable by the charity, since it has charitable status and its activities are exempt from tax.

Value Added Tax

Irrecoverable VAT which can be attributed to capital items or revenue expenditure is added to the cost of the capital item or expenses where practicable and material.

Pension Costs

The charity operates a defined contribution scheme for the benefit of its employees. The costs of contributions are written off through the income and expenditure account in the year they are payable.

Dilapidations

Monies receivable in respect of dilapidations are generally not accounted for until they can be determined with reasonable accuracy.

Turnover

Turnover is measured at the fair value of the consideration received or receivable.

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from almshouse voids.

Interest and dividends receivable

Interest and dividend income is recognised as Tiverton Almshouse Trust's right to receive payment is established.

Key judgements and estimates

The following judgements and estimates have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

The corporate trustee has established a five-year cycle for investment properties to be valued by an external RICS qualified surveyor. In the intervening years the remaining properties are valued by the corporate trustee having regard to all risks, the yield, the strength of the market and comparison with similar properties.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

2. TURNOVER

	2023	2022
	£	£
Rents receivable excluding service charges	478,760	448,879
Service charges receivable	112,700	104,808
Rent and service charge losses from voids	(6,042)	(6,250)
Guest room income	3,270	1,950
Social Housing Turnover	<u>588,688</u>	<u>549,187</u>
Investment property income	<u>229,639</u>	<u>233,130</u>
	<u><u>818,327</u></u>	<u><u>782,317</u></u>

3. UNITS IN MANAGEMENT

	2023	2022
Social housing for older people	84	84
Warden accommodation	2	2
	<u>86</u>	<u>86</u>

4. OPERATING COSTS

	Support Costs £	Social Housing £	Investment Properties £	Total 2023 £	Total 2022 £
Estate management costs:					
Wages and salaries	-	54,514	21,384	75,898	78,579
Estate costs					
Repairs and maintenance	-	318,663	160,619	479,282	316,634
Professional fees	-	36,660	62,389	99,049	82,654
Utilities	-	86,090	23,651	109,741	134,218
Insurance	-	12,065	17,594	29,659	25,946
Sundry expenses	-	5,487	4,720	10,207	13,712
Waste	-	7,063	-	7,063	7,104
Cleaning	-	3,971	3,892	7,863	7,277
Administrative costs					
Wages and salaries	219,306	-	-	219,306	209,003
Staff costs	696	-	-	696	2,688
Office running costs	33,851	-	-	33,851	31,884
Audit services	8,400	-	-	8,400	4,158
Accountancy services	9,605	-	-	9,605	10,238
COVID19 expenses	100	-	-	100	307
PI insurance	578	-	-	578	578
Subscriptions	3,509	-	-	3,509	5,684
Bank charges	934	-	-	934	894
Depreciation	2,267	-	-	2,267	3,071
Profit/loss on disposal	-	-	-	-	78,000
Investment mgm't fees	9,780	-	-	9,780	9,852
	<u>289,026</u>	<u>524,513</u>	<u>294,249</u>	<u>1,107,788</u>	<u>1,022,481</u>
Apportionment	<u>(289,026)</u>	<u>156,640</u>	<u>132,386</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>681,153</u>	<u>426,635</u>	<u>1,107,788</u>	<u>1,022,481</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

5. OPERATING DEFICIT

	2023	2022
	£	£
Operating deficit is stated after charging:		
Operating leases - other assets	<u>1,524</u>	<u>1,524</u>

6. AUDITORS' REMUNERATION

	2023	2022
	£	£
Audit services	8,400	4,158
	<u>8,400</u>	<u>4,158</u>

7. BOARD OF DIRECTORS OF THE CORPORATE TRUSTEE AND KEY MANAGEMENT PERSONNEL REMUNERATION

	2023	2022
	£	£
The aggregate emoluments payable to key management personnel excluding employer pension contributions	72,358	78,579

The outgoing chief executive was not a member of the charity's defined contribution pension scheme. However, the charity made contributions to their personal pension plan. During the period the total amount contributed to the personal pension was £2,284 (2023: £5,170).

The Board of Directors of the corporate trustee received no expenses or remuneration in the year.

8. EMPLOYEE INFORMATION

	2023	2022
The average number of persons employed during the year expressed in full time equivalents (16 hours or more per week) was:		
Office staff	5	6
Wardens, cleaners and handyman	<u>4</u>	<u>4</u>
	<u>9</u>	<u>10</u>
	£	£
Staff costs (for the above persons)		
Wages and salaries	256,475	254,137
Employer's National Insurance Contributions	24,381	19,057
Other pension costs	<u>14,348</u>	<u>14,388</u>
	<u>295,204</u>	<u>287,582</u>

During the year no employee earned more than £60,000 (2022: one employee).

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2023	2022
	£	£
Interest received	15,005	6,383
Miscellaneous income	130	180
	15,135	6,563

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2023	2022
	£	£
Mortgage interest	23,701	15,031
	23,701	15,031

11. TANGIBLE FIXED ASSETS

	Housing Properties £	Investment Properties £	Freehold Property £	Computer Equipment £	Total £
COST OR VALUATION					
At 1 January 2023	4,144,378	2,856,676	425,000	18,191	7,444,245
Additions	-	-	-	825	825
Disposals	-	(450,000)	-	-	(450,000)
Revaluation	-	112,500	-	-	112,500
	4,144,378	2,519,176	425,000	19,016	7,107,570
DEPRECIATION					
At 1 January 2023	-	-	-	15,172	15,172
Charge for year	-	-	-	2,267	2,267
	-	-	-	17,439	17,439
NET BOOK VALUE					
At 31 December 2023	4,144,378	2,519,176	425,000	1,577	7,090,131
At 31 December 2022	4,144,378	2,856,676	425,000	3,019	7,429,073

HOUSING PROPERTIES

Housing properties includes freehold land and buildings, which are included at deemed cost of £3,962,000 (historic cost: £4,210,895).

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

INVESTMENT PROPERTIES

The corporate trustee has established a five-year cycle for investment properties to be valued by an external RICS qualified surveyor.

The freehold interest in 24 and 26 West Exe South, Tiverton were valued at 31 October 2023 by an external valuer Emily Kinver BSc (Hons) MRICS of Stratton Creber, Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards, SORP and FRS102.

For the 2023 year, all investment properties held were valued by the corporate trustee on the basis of fair value as at 31 December 2023.

Valuation is represented by:	2023	2022
	£	£
Historical cost	296,927	296,927
Revaluation	<u>2,222,249</u>	<u>2,559,749</u>
	<u>2,519,176</u>	<u>2,856,676</u>
Revaluation:	2023	2022
	£	£
Balance as at 31 December 2022	2,559,749	2,559,749
Revaluation	112,500	-
Disposals	<u>(450,000)</u>	-
Balance as at 31 December 2023	<u>2,222,249</u>	<u>2,559,749</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

12. INVESTMENTS HELD AS FIXED ASSETS

(Financial assets measured at fair value through the surplus/ (deficit))

	2023 £	2022 £
MARKET VALUE OF LISTED INVESTMENTS		
At 31 December 2022	3,491,472	3,797,008
Additions	108,204	229,499
Disposal proceeds	(61,210)	(244,989)
Realised gains/(losses)	5,474	(2,336)
Unrealised gains/(losses)	288,225	(312,097)
At 31 December 2023	<u>3,812,165</u>	<u>3,467,085</u>
Cash held as part of investment portfolio (movement)	(36,896)	24,387
	<u>3,775,269</u>	<u>3,491,472</u>
Historical cost	<u>2,626,806</u>	<u>2,603,782</u>

13. DEBTORS – ALL RECEIVABLE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors		
Social housing rent arrears	613	528
Social housing utility arrears	1,085	-
Other	3,584	5,575
	<u>5,262</u>	<u>6,103</u>
Prepayments and accrued income	31,938	43,110
Other debtors	5,602	8,319
	<u>42,802</u>	<u>57,532</u>

14. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Mortgages	27,559	29,404
Trade creditors and rents paid in advance	22,433	95,283
Other creditors and accruals	49,979	44,432
	<u>99,971</u>	<u>169,119</u>

15. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023 £	2022 £
Mortgages	<u>493,513</u>	<u>519,511</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

16. MORTGAGES

(Financial liabilities measured at fair value through the surplus/ (deficit)).

Analysis of maturity of debt:	2023 £	2022 £
Less than one year or on demand	27,559	29,404
Between one and two years	28,827	30,440
Between two and five years	94,769	97,916
After five years	369,917	391,155
	<u>521,072</u>	<u>548,915</u>

The mortgages mature in July 2037.

Capital is repayable in monthly instalments, which commenced in August 2004. Interest for both loans is calculated based on SONIA and include an Adjustment Spread.

The mortgages are secured on certain freehold housing and investment properties.

17. INCOME AND EXPENDITURE RESERVES

	2022 £	Surplus for year £	Revaluation £	Transferred £	Utilised £	2023 £
Extraordinary repair fund	810,503	-	-	(634,729)	(75,048)	100,726
Cyclical maintenance fund	68,512	-	-	38,718	(30,628)	76,602
Routine works	51,231	-	-	247,237	(241,217)	57,251
Other	487,320	(266,345)	117,679	348,774	346,893	1,034,321
	<u>1,417,566</u>	<u>(266,345)</u>	<u>117,679</u>	<u>-</u>	<u>-</u>	<u>1,268,900</u>

Tiverton Almshouse Trust has established a regular programme of works.

Part of other reserves has been earmarked by the corporate trustee for a particular purpose. Such designations may be reversed by future Trustee decisions.

Expenditure is taken through the income and expenditure account. A transfer is then made as appropriate.

18. CAPITAL AND RESERVES

Permanent Endowment

These reserves represent the historic value of the housing and investment properties together with the current value of any other investments that were held at the date of the merger and cash deposited with Standard Life on behalf of Alexandra Lodge Trust as at the date of the merger.

Expendable Endowment

These reserves represent the current value of any investments purchased since the merger.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

19. LEASING COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2023 £	2022 £
Not later than one year	1,524	1,524
Total	<u>1,524</u>	<u>1,524</u>

20. PENSION COSTS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £12,063 (2022: £9,218).

21. RELATED PARTY TRANSACTIONS

As at the 31 December 2023 two directors of Tiverton Almshouse Trustee Limited were councillors / employees of related Local Authorities.

Any transactions with the Local Authorities were at arms-length on normal commercial terms and these individuals were not able to use their position to their commercial advantage.

22. CONTROL

The ultimate controlling party is the board of directors of Tiverton Almshouse Trustee Limited

23. RECONCILIATION OF OPERATING SURPLUS / (DEFICIT) TO CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Surplus / (deficit) for the year	(70,146)	(529,507)
Mortgage interest paid	23,701	15,031
Interest received	(15,005)	(6,383)
Dividends received	(31,682)	(33,558)
Depreciation/impairment of tangible fixed assets	2,267	3,071
Realised (gain) / loss on disposal of investments	(5,474)	2,336
(Profit)/loss on disposal of tangible fixed assets	-	78,000
(Profit)/loss on disposal of investment properties	190,000	-
Unrealised (gains) / loss on investments	(268,225)	312,097
Revaluation on investment properties	(112,500)	-
(Increase) / decrease in trade and other debtors	14,730	(6,157)
Increase / (decrease) in trade and other creditors	(67,304)	68,480
Net cash flow from operating activities	<u>(339,638)</u>	<u>(96,590)</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

24 ANALYSIS OF CHANGES IN NET DEBT

	2022	Cashflows	Non-cash changes	2023
	£	£	£	£
Long-term borrowings	519,511	-	(25,998)	493,513
Short-term borrowings	29,404	(27,843)	25,998	27,559
Total liabilities	548,915	(27,843)	-	521,072
Cash and cash equivalents	(784,127)	132,314	-	(651,813)
Total	(235,212)	104,471	-	(130,741)

Tiverton Almshouse Trust

Registered in England and Wales - Charity number: 206984

Registered Office:
Tiverton Almshouse Trust
Market House
18a Bampton Street
TIVERTON
Devon
EX16 6AA

Francis Clark LLP
Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

Dear Sirs

Financial Statements of Tiverton Almshouse Trust for the year ended 31 December 2023

This representation letter is provided in connection with your audit of the financial statements of Tiverton Almshouse Trust ("the charity"), for the year ended 31 December 2023 for the purpose of expressing an opinion as to whether these financial statements give a true and fair view of the results and financial position of Tiverton Almshouse Trust in accordance with the Charities Act 2011, The Housing Regeneration Act 2008, the Accounting Direction for private registered providers of social house in England 2022, UK Generally Accepted Accounting Practice and the Statement of Recommended Practice for Social Housing Providers 2018.

The representations made in this letter are in accordance with the definitions set out in the Appendix to this letter.

We confirm that:

Financial statements

1. We have fulfilled our responsibilities as trustees, as set out in the terms of the audit engagement letter dated 15 January 2024, for preparing financial statements in accordance with the Charities Act 2011, The Housing Regeneration Act 2008, the Accounting Direction for private registered providers of social house in England 2022, UK Generally Accepted Accounting Practice and the Statement of Recommended Practice for Social Housing Providers 2018, which give a true and fair view of the state of the charity's affairs as at the end of its financial year and of the charity's income and expenditure for the year then ended and for making accurate representations to you.
2. Measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
3. We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.
4. We have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements to you and these have been disclosed in accordance with UK Generally Accepted Accounting Practice.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with UK Generally Accepted Accounting Practice.
6. All events since the balance sheet date which require disclosure or which would materially affect the amounts in the financial statements have been adjusted or disclosed in the financial statements.
7. We confirm that the financial statements are free of material misstatements, including omissions. We believe that the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole.

Appendix A to the Board Representation Letter of Tiverton Almshouse Trust: Definitions

Financial Statements

A complete set of financial statements comprises:

- a balance sheet as at the end of the year/period;
- a statement of financial activities for the year/period;
- a cashflow statement for the year/period; and
- notes, comprising a summary of significant accounting policies and other explanatory information.

Material Matters

Material omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Management

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance".