

Earsdon, Newburn and Shilbottle Almshouse Charity
Unaudited Financial Statements
31 December 2020

JFS TORBITT
Chartered Certified Accountants
58 Durham Road
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Earsdon, Newburn and Shilbottle Almshouse Charity

Financial Statements

Year ended 31 December 2020

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Earsdon, Newburn and Shilbottle Almshouse Charity

Trustee's Annual Report *(continued)*

Year ended 31 December 2020

Structure, governance and management

Governing Document

The organisation is governed by a trust deed dated 7 January 1982.

Recruitment and Appointment of Trustees

The charity aims to maintain its functions by recruiting local business people and appropriate individuals from the locality who have the necessary skills and local knowledge to monitor the financial position of the charity, and to make the necessary provision of accommodation to the residents. The recruitment of new Trustees is a matter for the Board of Trustees, and when vacancies arise, in either numbers or skill coverage, the Chairman will be asked to approach suitable candidates from the combined contacts of all current Trustees. Such appointments will bear in mind the need to have a knowledge of the region, an understanding of and empathy with the charitable sector, coupled with a general recognition of the needs of the residents. None of the Trustees are entitled to, nor received, any remuneration for their services to the charity during the year. Additionally, no expenses have been paid to any Trustee.

Trustee Induction and Training

The Trustees are all familiar with the work of the charity, and new Trustees are encouraged to attend at the charity's registered office where they are briefed on the aims, objectives and other operational matters, in addition to their roles and responsibilities.

Risk Management

The Trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The Trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks.

Objectives and activities

Activities

Earsdon, Newburn and Shilbottle Almshouse Charity meets the definition of a public benefit entity under FRS 102. The principal activity of the Charity is to provide residential accommodation for the poor and needy residing in or near Earsdon, Newburn and Shilbottle. The Charity owns and maintains 12 adjacent properties in Newburn for which the residents contribute a nominal weekly sum to cover maintenance and running costs.

Achievements and performance

During the year, the charity achieved full occupancy, with no voids being experienced. Maintenance contributions have steadily increased in line with best practice and now represent adequate cover for ongoing and routine costs.

Financial review

The Statement of Financial Activities shows net incoming resources for the year (before movements in the market value of investments) of £21,483 and cumulative reserves to carry forward of £422,219. The Trustees have considered any major risks to which the charity might be exposed in the near future, and consider that the present level of funding is adequate to support the charity's current operations. The Trustees consider the current financial position of the charity to be good and continue to monitor the position to ensure the future financial position remains secure.

Earsdon, Newburn and Shilbottle Almshouse Charity

Trustee's Annual Report *(continued)*

Year ended 31 December 2020

Reserves Policy

The charity's sole purpose is to provide accommodation to qualifying Almshouse residents, and as such maintains sufficient liquid funds to defray routine maintenance and other running costs; whilst maintaining sufficient longer term investments in approved funds to cover any major capital expenditure. The Trustees consider that operating reserves sufficient to cover these administrative costs for up to 9 months are sufficient in the context of the charity's current objectives.

Plans for future periods

There are no plans to expand the activities of the charity.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of charity and of the incoming resources and application of resources of the charity for that year. In preparing these financial statements the trustees are required to:- select suitable accounting policies and then apply them consistently;- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 operation.

The trustees are 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 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Examiner

J E Freeman, Chartered Certified Accountant, who was appointed to carry out an independent examination, offers herself, and is recommended for, re-appointment.

The trustee's annual report was approved on 20th October 2021 and signed on behalf of the board of trustees by:

Jana F Robson
20/10/21

J Robson
Trustee

Earsdon, Newburn and Shilbottle Almshouse Charity

Independent Examiner's Report to the Trustee of Earsdon, Newburn and Shilbottle Almshouse Charity

Year ended 31 December 2020

I report to the trustee on my examination of the financial statements of Earsdon, Newburn and Shilbottle Almshouse Charity ('the charity') for the year ended 31 December 2020.

Responsibilities and basis of report

The trustees are also the directors of the company for the purposes of company law are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. I am qualified to undertake the examination by being a qualified member of the Association of Chartered Certified Accountants.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Independent examiner's statement

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

J E Freeman
Chartered Certified Accountants
Independent examiner
58 Durham Road
Birtley
Co Durham
DH3 2QJ

Earsdon, Newburn and Shilbottle Almshouse Charity

Statement of Financial Activities

Year ended 31 December 2020

		2020		2019
	Note	Unrestricted funds £	Total funds £	Total funds £
Income				
Maintenance contributions from residents		38,557	38,557	39,879
Investment income	4	3,383	3,383	4,461
Total income		<u>41,940</u>	<u>41,940</u>	<u>44,340</u>
Expenditure				
Expenditure on raising funds:				
Property management expenses	5	16,497	16,497	56,108
Expenditure on charitable activities	6	3,960	3,960	3,780
Total expenditure		<u>20,457</u>	<u>20,457</u>	<u>59,888</u>
Net income/(expenditure)		<u>21,483</u>	<u>21,483</u>	<u>(15,548)</u>
Other recognised gains and losses				
Growth/(diminution) in value of investments		16,285	16,285	28,518
Net movement in funds		37,768	37,768	12,970
Reconciliation of funds				
Total funds brought forward		384,451	384,451	371,481
Total funds carried forward		<u>422,219</u>	<u>422,219</u>	<u>384,451</u>
Fund balances are analysed:				
Revenue Reserve			157,568	148,085
Revaluation Reserve			74,888	62,888
Capital Reserve			189,763	173,478
			<u>422,219</u>	<u>384,451</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 7 to 13 form part of these financial statements.

Earsdon, Newburn and Shilbottle Almshouse Charity

Statement of Financial Position

31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible fixed assets	9	113,700	114,969
Investments	10	264,410	248,125
		<u>378,110</u>	<u>363,094</u>
Current assets			
Debtors	11	909	1,949
Cash at bank and in hand		45,828	23,754
		<u>46,737</u>	<u>25,703</u>
Creditors: amounts falling due within one year	12	(2,628)	(4,346)
Net current assets		<u>44,109</u>	<u>21,357</u>
Total assets less current liabilities		<u>422,219</u>	<u>384,451</u>
Net assets		<u>422,219</u>	<u>384,451</u>
Funds of the charity			
Unrestricted funds:			
Revenue reserve		157,568	148,085
Revaluation reserve		74,888	62,888
Other unrestricted income funds		189,763	173,478
Total unrestricted funds		<u>422,219</u>	<u>384,451</u>
Total charity funds	13	<u>422,219</u>	<u>384,451</u>

These financial statements were approved by the board of trustees and authorised for issue on 20th October 2021, and are signed on behalf of the board by:

Jinaf Robson
20th October 2021

J Robson
Trustee

The notes on pages 7 to 13 form part of these financial statements.

Earsdon, Newburn and Shilbottle Almshouse Charity

Notes to the Financial Statements

Year ended 31 December 2020

1. General information

The charity is a registered charity in England and Wales and is unincorporated. The format of the financial statements complies with the Accounting Requirements of the Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and the Accounting Direction for Private Registered Providers of Social Housing 2015.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Both fixed and current asset investments are included in the accounts at market value. The Statement of Financial Activities includes the net gains and losses arising on revaluations during the year.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.

Earsdon, Newburn and Shilbottle Almshouse Charity

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustee for particular future project or commitment.

Incoming resources

Maintenance contributions and investment income are shown when receivable.

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in relation to the properties. It includes both costs that can be allocated directly and those costs of an indirect nature necessary to support them. All repairs are charged to revenue unless they represent a significant improvement to the property.

Governance costs includes those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examination fees and costs linked to the strategic management of the charity.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property - 1% straight line

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Housing properties

The Almshouses were constructed in the late Nineteenth Century and there is no record of the original cost and no value is attributed thereto. The Housing Property costs relate to improvements carried out since 1960 which were funded by a Housing Corporation Grant, a mortgage loan from Housing Corporation secured by a charge on housing, land and buildings and from the Almshouses own resources. Whilst the properties are maintained in a state of repair such that their estimated residual value is not less than their improvement cost or carrying amount, an annual charge for depreciation of 1% straight line has been provided in line with the previous year

Earsdon, Newburn and Shilbottle Almshouse Charity

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Housing association grant

Housing Association Grant (HAG) is paid by the Housing Corporation to reduce the cost of development and is, therefore, shown as a deduction from the cost of Housing Properties on the Balance Sheet. HAG is repayable under certain circumstances, primarily following the sale of the property, but will normally be restricted to net proceeds of sale.

4. Investment income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Income from listed investments	3,365	3,365	4,388	4,388
Bank interest receivable	18	18	73	73
	<u>3,383</u>	<u>3,383</u>	<u>4,461</u>	<u>4,461</u>

5. Property management expenses

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Water rates	3,267	3,267	3,695	3,695
Professional charges	5,731	5,731	5,472	5,472
Repairs and renovations	4,229	4,229	43,566	43,566
Building insurance	1,791	1,791	1,776	1,776
Property depreciation	1,269	1,269	1,269	1,269
Subscriptions	210	210	330	330
Sundry	—	—	—	—
	<u>16,497</u>	<u>16,497</u>	<u>56,108</u>	<u>56,108</u>

6. Governance costs

	Unrestricted Funds £	Total funds 2020 £	Unrestricted Funds £	Total funds 2019 £
Accountancy and clerking	3,420	3,420	3,240	3,240
Independent examiner's fee	540	540	540	540
	<u>3,960</u>	<u>3,960</u>	<u>3,780</u>	<u>3,780</u>

Earsdon, Newburn and Shilbottle Almshouse Charity

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

7. Taxation

The Almshouse is a registered Charity and is therefore exempt from liability to taxation on its Income and Capital Gains.

8. Staff costs

The charity has no employees and no payments have been made to any of the trustees during the year.

9. Tangible fixed assets

	Freehold property £
Cost	
At 1 January 2020	882,035
Housing Association Grant	(255,137)
Your Homes Newcastle Grant	(500,000)
At 31 December 2020	<u>126,898</u>
Depreciation	
At 1 January 2020	11,929
Charge for the year	1,269
At 31 December 2020	<u>13,198</u>
Carrying amount	
At 31 December 2020	<u>113,700</u>
At 31 December 2019	<u>870,106</u>

10. Investments

	2020 £	2019 £
Trust Fund		
The Charity's Official Investment Fund (COIF) 8,548.050 Income Shares (2019 - 8,548.050 shares)	153,962	144,707
Extra-Ordinary Repair Fund		
Chairnco Common Investment Fund 2008.505 Accumulation Shares (2019 - 2008.505 shares)	110,448	103,418
	<u>264,410</u>	<u>248,125</u>

The increase in fixed asset investments is due to the unrealised profit on revaluation of £16,285 (2019 - 28,518).

Earsdon, Newburn and Shilbottle Almshouse Charity

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

11. Debtors

	2020	2019
	£	£
Prepayments and accrued income	909	1,949

12. Creditors: amounts falling due within one year

	2020	2019
	£	£
Accruals and deferred income	2,628	4,346

13. Analysis of charitable funds

Unrestricted funds

	At 1 Jan 2020	Income	Expenditure	Transfers	Gains and losses	At 31 Dec 2020
	£	£	£	£	£	£
General funds	148,085	41,940	(20,457)	(12,000)	–	157,568
Revaluation reserve	173,478	–	–	–	16,285	189,763
Revaluation reserve	62,888	–	–	12,000	–	74,888
	<u>384,451</u>	<u>41,940</u>	<u>(20,457)</u>	<u>–</u>	<u>16,285</u>	<u>422,219</u>

14. Analysis of net assets between funds

	Unrestricted Funds	Total Funds 2020
	£	£
Tangible fixed assets	113,700	113,700
Investments	264,410	264,410
Current assets	46,737	46,737
Creditors less than 1 year	(2,628)	(2,628)
Net assets	<u>422,219</u>	<u>422,219</u>

Earsdon, Newburn and Shilbottle Almshouse Charity

Management Information

Year ended 31 December 2020

The following pages do not form part of the financial statements.

Earsdon, Newburn and Shilbottle Almshouse Charity

Detailed Statement of Financial Activities

Year ended 31 December 2020

	2020	2019
	£	£
Income		
Maintenance contributions from residents		
Net income from rents and service charges	<u>38,557</u>	<u>39,879</u>
Investment income		
Income from listed investments	3,365	4,388
Bank interest receivable	18	73
	<u>3,383</u>	<u>4,461</u>
Total income	<u>41,940</u>	<u>44,340</u>
Expenditure		
Costs of raising donations and legacies		
Water rates	3,267	3,695
Property management	5,731	5,472
Repairs and maintenance	4,229	43,566
Insurance	1,791	1,776
Depreciation of property	1,269	1,269
Subscriptions	210	330
	<u>16,497</u>	<u>56,108</u>
Charitable activities		
Governance costs		
Accountancy and clerking	3,420	3,240
Independent examiner's fee	540	540
	<u>3,960</u>	<u>3,780</u>
Total expenditure	<u>20,457</u>	<u>59,888</u>
Net income/(expenditure)	<u>21,483</u>	<u>(15,548)</u>
