

READING ALMSHOUSE CHARITY

England & Wales · Charity number 1152759

Details

Status Registered

Legal form CIO

Registered 2013-07-08

Register [View on the Charity Commission register](#)

Contact

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Activities

Objects: THE PROVISION OF HOUSING ACCOMODATION TO THOSE IN NEED WHO HAVE RESIDED WITHIN 20 MILES OF ST MARY'S CHURCH, ST MARY'S BUTTS, READING FOR NOT LESS THAN THREE YEARS PRECEDING THE TIME OF APPOINTMENT, AND ARE OF GOOD CHARACTER.IN KEEPING IN PROPER REPAIR THE VAULT OF MARY LOVE IN THE CHURCH OF ST. LAURENCE, READING.IN MAKING AN ANNUAL PAYMENT OF NOT LESS THAN £1,450 PER ANNUM, OR SUCH OTHER SUM AS THE TRUSTEES SEE FIT, TO THE CHURCHWARDENS FOR THE TIME BEING OF THE PARISHES OF FRILSHAM AND YATTENDON IN THE ROYAL COUNTY OF BERKSHIRE TO BE APPLIED FOR THE RELIEF OF PERSONS RESIDENT IN THOSE PARISHES WHO ARE IN CONDITIONS OF NEED, HARDSHIP OR DISTRESS IN SUCH MANNER AS THE SAID CHURCHWARDENS THINK FIT.FOR THE BENEFIT OF THE RESIDENTS IN THE ALMSHOUSES OF THE CHARITY OR ANY OF THEM IN SUCH MANNER AS THE TRUSTEES THINK FIT FROM TIME TO TIME.AT LEAST 15 OF THE RESIDENTS SHALL BE MEMBERS OF THE CHURCH OF ENGLAND AND AT LEAST 5 OF THE RESIDENTS SHALL BE WIDOWS OF 55 YEARS OR OVER WHO ARE IN NEED.

Activities: The provision of housing accommodation to those in need who have resided within twenty miles of St Mary's Church, St Mary's Butts, Reading for not less than three years preceding the time of appointment as a resident.

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Accommodation/housing
- **Who:** Other Defined Groups

Geography

- **Area of benefit:** WEST BERKSHIREREADING
- Reading
- West Berkshire
- Wokingham

Finances

Period end	Income	Expenditure	Assets	Employees
2025-09-30	£992,158	£887,012	£7,908,670	4
2024-09-30	£936,772	£834,778	£7,799,024	4
2023-09-30	£882,306	£878,056	£7,697,030	3
2022-09-30	£798,081	£707,970	£7,692,780	3
2021-09-30	£759,860	£660,796	£7,627,669	3
2020-09-30	£708,945	£585,901	£7,528,605	3

Trustees

Name	Role	Appointed
Jean Linda Thomas	Chair	2014-09-23
Anthony Crawford		2024-09-17
Caroline Mary Wise		2020-10-20
David Vachell		2025-09-16
JULIE ANNE SPRATLEY		2017-01-17
Martin Forster		2024-01-30
Martyn Boyd Cooper		2023-06-13
Natalie Okwisa Olembo		2023-09-12
Rev Sonya Wratten		2022-06-14
Sonja Sharpe		2022-01-25

Accounts

READING ALMSHOUSE CHARITY

(A CHARITABLE INCORPORATED ORGANISATION)

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025





Housing with Heart

Our community gardening day took place at Castle Street in May this year, with staff, Trustees and residents all attending to help restore the gardens after they were damaged following some recent building work. It was a fantastic event, successfully bringing our community together. Residents of all ages and abilities participated, with many helping to create hanging baskets. Our Housing Manager organised activities suitable for all levels of ability – even the oldest resident, aged 96, took part. We also engaged the wider local community by arranging for local cafés and shops to provide catering and beverages for the day.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2025

The Trustees present their report with the financial statements of the Charity for the year ended 30 September 2025. The Trustees have adopted the provisions of Accounting and Reporting by Charities: 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

The purpose of the Charity is the provision of housing accommodation to those in need who have resided within 20 miles of St Mary's Church, St Mary's Butts, Reading for not less than three years preceding the time of appointment as a beneficiary of the Charity and are of good character. The Charity does this by providing accommodation in the almshouses for a modest weekly maintenance contribution.

ACHIEVEMENTS AND PERFORMANCE

The Charity has enabled people to remain in the local community by providing affordable accommodation of 104 flats in three buildings.

OUR PUBLIC BENEFIT

In considering their objectives for the year, the Trustees have had regard to the Charity Commission's published guidance on the public benefit requirement under the Charities Act 2011. The provision of almshouse accommodation for those in need provides an identifiable public benefit which is directly in line with the Charity's aims. Beneficiaries of almshouses must be in need and will be drawn from that section of the public who are especially vulnerable.

OUR PURPOSE

Reading Almshouse Charity supports those in need of affordable accommodation. We offer accommodation to adults, including people in employment or seeking employment, but who find that their income is insufficient to meet their housing, utility and other essential costs without hardship. Residents have a licence to occupy the almshouse accommodation and so do not pay rent but instead a regular monthly fee toward the maintenance and upkeep of the premises called a monthly maintenance contribution (MMC).

OUR MISSION

Our almshouse charity exists to provide pleasant, affordable, secure accommodation for people in housing need and with limited means. Many of our current residents are working but are low paid or retired with low pension incomes or are supported by benefits. They are precisely the groups facing the pressures described overleaf.

ECONOMIC AND SOCIAL CONTEXT

Low-income earners in Reading & the UK

The poorest demographic quartile in the UK has seen housing costs rise over the last 20 years, so that housing costs now takes a much larger share of income for lower income groups. For example, for households in the lowest income quartile, housing costs have risen from 9-10% in past decades to over 20-25% in many cases, sometimes significantly more, depending on the area in which they live.

For our residents who are low-income earners, even modest housing costs represent a large portion of income. For example, for someone on low full-time wages (say at or slightly above the National Living Wage), housing costs in the Reading area in the private sector might consume 30-40% or more of their disposable pay.

Even after benefits like Housing Benefit or Local Housing Allowance are taken into account, many households in the bottom income deciles still pay a large share of their actual income on housing. The benefits system often lags behind rising rents, particularly in the private rented sector, making the affordability problem worse.

Housing cost burdens are amplified when added to other rising costs (fuel, food, transport). For low-income earner residents, there is little margin for unplanned life expenses.



A's story

A works full time on a local industrial estate and is in receipt of the National Living Wage. She does not claim benefits and just about manages to pay her MMC to the almshouse regularly every month. A relies on food bank parcels which are delivered once a fortnight. Without this support she would be unable to keep her head above water financially every month.

B's story

B works on a zero hours contract for a school, with her working hours increasing and decreasing over the year, depending on demand for her role.

She relies on Universal Credit to top up her wages to pay her MMC. Universal Credit is paid in arrears and is based on prior month earnings. This means that in some months she is very short of cash.

B depends on foodbank deliveries once a fortnight to keep her afloat.

Risks and challenges for low-income earner residents

Government policy changes - such as freezes or caps in Local Housing Allowance / Housing Benefit, changes to Universal Credit, benefit eligibility thresholds - can all adversely affect residents, increasing the housing cost burden even if the almshouse charity maintains stable maintenance contributions.

Inflation and the cost of living, rising costs of maintenance, energy, insurance etc. combined with stagnant wage growth for low paid work may cause more residents to slip further into financial hardship.

Risks and fiscal constraints

Our commitment to keeping the MMC (the amount we charge residents each month) as low as possible means that we manage small margins between the cost of maintenance, capital refurbishment, inflation, operations, and the income we receive. This puts pressure on our finances and limits our ability to take action as quickly as we might like.

Rising costs (materials, labour, energy, regulatory compliance) continue to push up our maintenance budgets.

Changes in government benefits (caps, freezes, changes to Local Housing Allowance, reductions in support) may reduce residents' ability to pay even modest rents, which may result in residents falling into arrears.

TRUSTEE OBJECTIVES AND FORWARD STRATEGY

We continue to ensure that the MMC charges remain manageable by regularly reviewing what is affordable in Reading, benchmarking against local Housing Benefit and Universal Credit benefit levels and other publicly available information.

We are investing further to make our homes more energy efficient (insulation, double glazing, efficient heating, solar panels) to reduce utility bills.

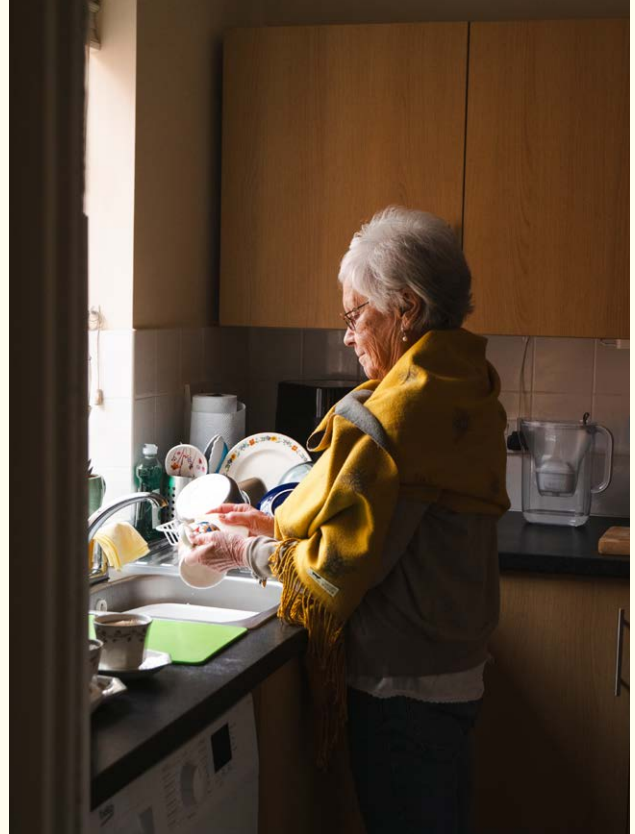
We aim to secure funding / investments to allow modest capital improvements without cost being passed to residents.

We maintain a sufficient level of reserves to absorb MMC shortfalls, maintenance emergencies, or fluctuations in grant income.

We explore additional income streams (charitable grants, philanthropic funding, sympathetically designed commercial ventures) to support the subsidy gap.

We monitor policy environment (changes to benefits, housing legislation) to anticipate impacts on residents and the charity's sustainability.





SAFEGUARDING OUR RESIDENTS

All our staff and Trustees are subject to DBS checks. Staff and Trustees are required to complete adult safeguarding training and regularly update their knowledge. Staff know how to report safeguarding issues. These are dealt with quickly and appropriately.

We provide a safe and respectful place for our residents to live and recognise our duty to safeguard the wellbeing of all our residents. We actively encourage social interaction to combat isolation and loneliness,

Whilst our residents are expected to be capable of living independently, we recognise that some may be vulnerable, due to their age or because of their personal history. Our Housing Team offer them support by signposting them to relevant agencies and helping them in many ways.

Staff meet monthly to review the safeguarding and wellbeing of our residents. Issues are identified and recommendations or adjustments are made so that the Charity can constantly improve its ability to respond to safeguarding issues.

Our managers have successfully worked with residents to resolve all these issues in a timely and compassionate way.

OUR YEAR

During the year, we have:

- Maintained 104 Almshouses to a very high standard at an affordable MMC, ensuring that contributions do not rise in excess of what residents can reasonably bear.
- Provided additional support (financial advice, signposting) to help residents access all government entitlements (benefits, tax credits, housing benefit, etc.), so that they are not left short for basic needs. A persistent challenge is the under claiming of benefits: many people eligible for Housing Benefit, Council Tax Support, or other welfare supports do not claim them, either due to lack of awareness or complexity of the system.
- Provided home contents insurance for residents up to the value of £9,000 per flat.
- Implemented energy efficiency improvements, insulation or heating upgrades, which help reduce utility costs, recognising that for many, housing costs are not just rent, but also heating, maintenance, insurance etc.
- Facilitated social connection and neighbour support within our community to ensure that residents feel a sense of belonging. Helping residents to feel part of their community reduces social isolation and enhances wellbeing.



FINANCIAL REVIEW – YEAR ENDING 2025

At the end of the reporting period, the charity had £7,908,670 in funds. £7,860,319 is unrestricted with the majority being the fixed assets and £48,351 being the inalienable fixed assets.

INCOME

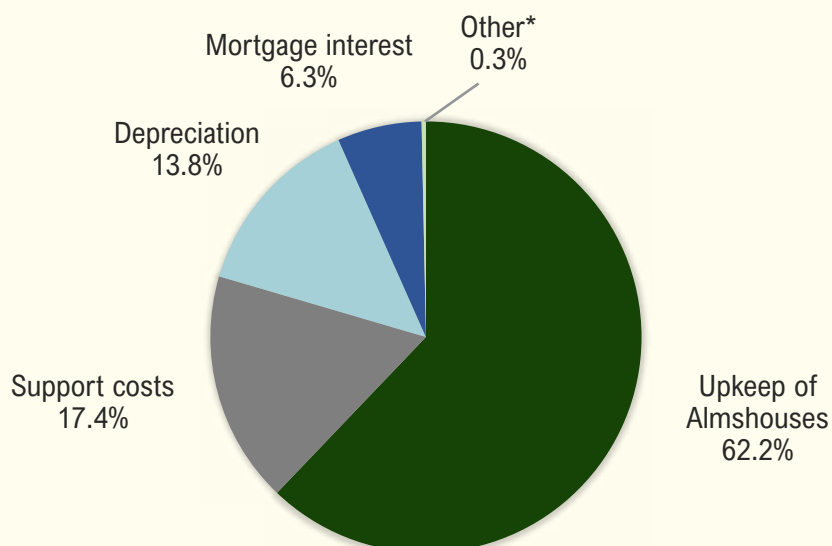
The total income for the year was £992,158, most of which arose from the provision of accommodation in accordance with the objects of the Charity. We received a small amount of interest income from cash on deposit, and our remaining income was received from the commercial tenant of our investment property in West Street, Reading.

EXPENDITURE

The expenditure during the year was devoted almost entirely to maintaining the Almshouses in good condition and enabling the orderly and professional running of the Charity, in compliance with all relevant regulations and legislation, and supporting our mission to provide and maintain affordable accommodation in a community environment to our residents.

Expenditure on Charitable Activities

Upkeep of Almshouses	£548,401
Frilsham & Yattendon donation*	£2,000
Depreciation	£121,856
Bad debt expense*	£857
Support costs	£153,556
Mortgage interest	£55,842
Total	£882,512

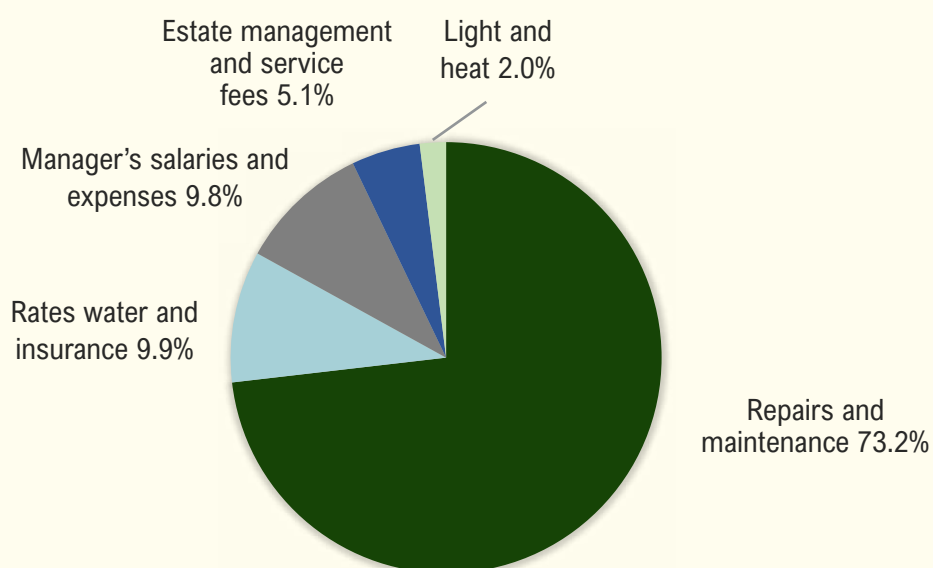


Maintaining our Properties

The Charity continues to focus on providing high quality accommodation through our planned and responsive maintenance programmes. We spent £401,222 on repairs and maintenance of our buildings.

Upkeep of Almshouses

Rates, water and insurance	£54,129
Light and heat	£10,761
Repairs and maintenance	£401,222
Estate management and service fees	£ 28,284
Managers' salaries and expenses	£54,005
Total	£ 548,401



FUTURE PLANS

We constantly review opportunities for improving the lives of our residents through improving our facilities.

1. Castle Street

We will continue with our planned maintenance programme, including replacing the riser cupboard doors to ensure compliance with current fire regulations. We will also focus on redecorating the external rear elevations.

2. Penton House

We will work with the building developer regarding fire safety improvement works and review maintenance required after the works have been completed.

3. Liberty House

We will review the current heating system and assess what improvements can be made.

4. Land at Liberty House

In June 2022, the Charity obtained planning permission to build 18 flats on land next to Liberty House, including six affordable units under a Section 106 Agreement. Due to upcoming maintenance costs and an outstanding mortgage of £490,000, Trustees agreed to pause development and review the land strategy in June 2026 with expert guidance.

5. Longer term plans

Almshouses are currently campaigning to be recognised as affordable housing under the National Planning Policy Framework (NPPF). If this status were to be granted it would enable Almshouses to access a much wider range of funding opportunities.



Penton House



Liberty House

INVESTMENT POLICY

Cash that is surplus to immediate requirements is held in interest bearing accounts or on time deposits. The Charity also holds property to generate rental income.

RESERVES POLICY

The Trustees consider that the unrestricted funds are sufficient to finance ongoing charitable expenditure given the rental income flows. The Trustees' current policy is to retain a cash reserve of £300,000 to cover any major unexpected repairs to the Almshouses, together with providing on going working capital. The cash reserves cover almost six months' normal expenditure. This policy is reviewed by the Trustees on an annual basis.

KEY RISKS AND UNCERTAINTIES

The Trustees have reviewed all potential risks that might affect our Charity and the three key risks are:

1. An event occurring in one of our almshouse properties which would result in almshouse residents needing to be re-housed.
2. Loss of key staff
3. Adverse legislation impacting Almshouses.

The Charity has prepared a comprehensive risk assessment which is regularly reviewed and updated. Insurance is in place to cover potential financial loss and there is a planned ongoing property preventative maintenance programme.

ADMINISTRATION OF THE TRUSTEE BOARD

The administration of the Charity is managed by our Trustees, with full Trustee meetings scheduled four times per year. Sub-committees, covering resident needs including safeguarding, property plans and buildings issues and staffing, are scheduled to take place monthly or quarterly; these sub-committees make recommendations to the Trustees.

The Board of Trustees appoints new Trustees to replace those who retire. The constitution provides for the appointment of up to 12 Trustees and up to three ex-officio Trustees, with a minimum of five Trustees. New Trustees are sought from the local community through advertisement within a variety of media including local volunteer recruitment websites, our own website and by word of mouth. Skills such as expertise in property, law, finance and low-cost housing are valued but the aim is to have a mixed and wide breadth of experience.

We have created a Trustee working group to help ensure that every aspect pertaining to the Charity's governance is sound and compliant with its constitution and the law. Policies and procedures have been reviewed to ensure the Charity is working to the highest of standards. We are grateful for the contribution made to the Charity by our expert Trustees who range in age from their mid-twenties to early seventies.



Castle Street

CONCLUSION

In the year under review, we believe our charity has made a real impact in alleviating housing cost burdens for our many residents who are living on low incomes in Reading.

The improved travel connections that the Elizabeth Line has offered means that more people can live in Reading and work in London. This has caused local housing costs to escalate as landlords find that they can improve their properties and charge more. This makes the position of those in low paid work very challenging. Without firmly controlled rents, residents can quickly be overwhelmed by housing burden, especially when faced with rising energy costs, transport, food and other costs. As the wider economic environment continues to challenge low-income households, we remain committed to providing safe, affordable homes, and contributing to reducing the inequality that arises when working hard no longer guarantees a secure, dignified life.

We are confident that our model of affordable, stable almshouse accommodation, combined with welfare advice and energy efficiency measures, makes a significant difference to individuals who might otherwise be forced into housing insecurity or poorer living standards.

As Trustees, we remain committed to sustaining and improving this support into the future, while safeguarding the charity's long-term viability. We look forward to continuing to serve Reading's community, especially those working yet struggling under the weight of high housing costs.

We provide almshouse accommodation to people in times of need, and it is always wonderful to hear when our residents are able to move forward. This year, several residents have moved into new homes or begun living with partners. One resident wrote in their termination notice:

"The charity is an invaluable asset to the local community, and I would like to take this opportunity to thank all of you for giving me the chance to rebuild my life and find true happiness."

They also expressed gratitude for the friendships and sense of community they had found during their time living here.

Feedback like this reminds Staff and Trustees of the meaningful difference our accommodation makes.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1152759

Principal address

The Office
Penton House
58 Longships Way
Reading, RG2 0GP

Trustees

J L Thomas Chair

M B Cooper

J W Cornwell (resigned 1.10.25)

A Crawford

M Forster

C A Hubbard (resigned 25.03.25)

N O Olembo

S Sharpe

J A Spratley

D Vachell (appointed 16.09.25)

C M Wise

Rev S Wratten

Auditors

Bennewith 2018 Limited (Statutory Auditors)
Upper Ground Floor
18 Farnham Road
Guildford
Surrey
GU1 4XA

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Charity law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to 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.

Approved by order of the Board of Trustees on 24 March 2026 and signed on its behalf by:



.....

J L Thomas - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF READING ALMSHOUSE CHARITY

Opinion

We have audited the financial statements of Reading Almshouse Charity (the 'charity') for the year ended 30 September 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (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 30 September 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditors' 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 trustees' 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 period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF READING ALMSHOUSE CHARITY (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees 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 and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees 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 trustees are 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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined the most significant are those that relate to FRS 102 Section 1A, pension laws and regulations and tax regulations.

We assessed the risks of material misstatement in respect of fraud as follows:

- Enquiries made of management and those charged with governance as well as the service organisation in relation to payroll services
- Analytical procedures were used to identify if there were any unusual or unexpected relationships
- Discussions with management to identify any fraud risk factors of related party relationships and transactions

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above.

Enquiries were made of management and those charged with governance. We corroborated our enquiries through the review of Board minutes and other papers provided. There was no contradictory evidence.

We considered the risk of fraud through management override and, in response, we incorporated testing of manual journal entries into our audit approach. We tested year end journals as well as journal entries throughout the year. There were no transactions identified outside the normal course of business.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF READING ALMSHOUSE CHARITY (CONTINUED)

Based on the results of our risk assessment we designed our audit procedures to identify and to address material misstatements in relation to fraud. We incorporated an element of unpredictability in the selection of the nature, timing, and extent of audit procedures.

Where transaction meeting risk criteria were identified, we carried out further work such as additional testing to source information.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Bennewith 2018 Limited (Statutory Auditors)
Upper Ground Floor
18 Farnham Road
Guildford
Surrey
GU1 4XA

Date: 24 March 2026

A handwritten signature in black ink, appearing to read 'Bennewith' followed by a stylized flourish and the letters 'd Co'.

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 SEPTEMBER 2025

	Notes	Unrestricted fund £	Restricted fund £	30.9.25 Total funds £	30.9.24 Total funds as restated £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	300	-	300	300
Charitable activities	5				
Residential income		948,517	-	948,517	907,910
Investment income	4	<u>43,341</u>	<u>-</u>	<u>43,341</u>	<u>45,402</u>
Total		<u>992,158</u>	<u>-</u>	<u>992,158</u>	<u>953,612</u>
EXPENDITURE ON					
Charitable activities	6				
Charitable activities		882,512	-	882,512	847,118
Other		<u>4,500</u>	<u>-</u>	<u>4,500</u>	<u>-</u>
Total		<u>887,012</u>	<u>-</u>	<u>887,012</u>	<u>847,118</u>
NET INCOME		105,146	-	105,146	106,494
RECONCILIATION OF FUNDS					
Total funds brought forward					
As previously reported		7,750,673	48,351	7,799,024	7,697,030
Prior year adjustment	10	<u>4,500</u>	<u>-</u>	<u>4,500</u>	<u>-</u>
As restated		<u>7,755,173</u>	<u>48,351</u>	<u>7,803,524</u>	<u>7,697,030</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>7,860,319</u></u>	<u><u>48,351</u></u>	<u><u>7,908,670</u></u>	<u><u>7,803,524</u></u>

The notes form part of these financial statements

BALANCE SHEET 30 SEPTEMBER 2025

	Notes	Unrestricted fund £	Restricted fund £	30.9.25 Total funds £	30.9.24 Total funds as restated £
FIXED ASSETS					
Tangible assets	12	7,369,985	48,351	7,418,336	7,524,796
Investment property	13	<u>470,500</u>	<u>-</u>	<u>470,500</u>	<u>475,000</u>
		7,840,485	48,351	7,888,836	7,999,796
CURRENT ASSETS					
Debtors	14	49,397	-	49,397	50,839
Cash at bank and in hand		<u>795,809</u>	<u>-</u>	<u>795,809</u>	<u>674,208</u>
		845,206	-	845,206	725,047
CREDITORS					
Amounts falling due within one year	15	<u>(149,591)</u>	<u>-</u>	<u>(149,591)</u>	<u>(154,249)</u>
NET CURRENT ASSETS		<u>695,615</u>	<u>-</u>	<u>695,615</u>	<u>570,798</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,536,100	48,351	8,584,451	8,570,594
CREDITORS					
Amounts falling due after more than one year	16	<u>(675,781)</u>	<u>-</u>	<u>(675,781)</u>	<u>(767,070)</u>
NET ASSETS		<u><u>7,860,319</u></u>	<u><u>48,351</u></u>	<u><u>7,908,670</u></u>	<u><u>7,803,524</u></u>
FUNDS	19				
Unrestricted funds				7,860,319	7,755,173
Restricted funds				<u>48,351</u>	<u>48,351</u>
TOTAL FUNDS				<u><u>7,908,670</u></u>	<u><u>7,803,524</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 24 March 2026. and were signed on its behalf by:



J L Thomas - Trustee

The notes form part of these financial statements

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2025

		30.9.25	30.9.24 as restated
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	<u>270,824</u>	<u>322,820</u>
Net cash provided by operating activities		<u>270,824</u>	<u>322,820</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(15,396)	(1,704)
Interest received		<u>5,558</u>	<u>6,925</u>
Net cash (used in)/provided by investing activities		<u>(9,838)</u>	<u>5,221</u>
Cash flows from financing activities			
Loan repayments in year		(83,543)	(76,348)
Bank interest paid		<u>(55,842)</u>	<u>(67,529)</u>
Net cash used in financing activities		<u>(139,385)</u>	<u>(143,877)</u>
		—————	—————
Change in cash and cash equivalents in the reporting period		121,601	184,164
Cash and cash equivalents at the beginning of the reporting period		<u>674,208</u>	<u>490,044</u>
Cash and cash equivalents at the end of the reporting period		<u><u>795,809</u></u>	<u><u>674,208</u></u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2025

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	30.9.25	30.9.24 as restated
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	105,146	106,494
Adjustments for:		
Depreciation charges	121,856	137,107
Losses on investments	4,500	-
Interest received	(5,558)	(6,925)
Interest payable	55,842	67,529
Decrease/(increase) in debtors	1,442	(2,265)
(Decrease)/increase in creditors	<u>(12,404)</u>	<u>20,880</u>
Net cash provided by operations	<u>270,824</u>	<u>322,820</u>

2. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	At 1.10.24 £	Cash flow £	At 30.9.25 £
Net cash			
Cash at bank and in hand	674,208	121,601	795,809
Less: Deposits treated as liquid resources	<u>(215,000)</u>	<u>215,000</u>	<u>-</u>
	<u>459,208</u>	<u>336,601</u>	<u>795,809</u>
Liquid resources			
Deposits included in cash	215,000	(215,000)	-
Current asset investments	<u>-</u>	<u>-</u>	<u>-</u>
	<u>215,000</u>	<u>(215,000)</u>	<u>-</u>
Debt			
Debts falling due within 1 year	(77,974)	(7,746)	(85,720)
Debts falling due after 1 year	<u>(747,070)</u>	<u>91,289</u>	<u>(655,781)</u>
	<u>(825,044)</u>	<u>83,543</u>	<u>(741,501)</u>
Total	<u>(150,836)</u>	<u>205,144</u>	<u>54,308</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The accounts have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Reading Almshouse Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Going concern

The charity depends on bank loan facilities which funded the purchase of Liberty House. Current forecasts indicate that the charity expects to be able to operate within these facilities for the whole of the foreseeable future.

In their assessment of going concern, the trustees have considered the current and developing impact on the charity as a result of macro-economic factors. This has not had a significant, immediate impact on the charity's operations because income and expenditure continue at previous levels resulting in an ongoing surplus, but the trustees are aware that if the current situation becomes prolonged then this may change. In addition, the charity has significant cash resources and an investment property which could be sold. Having regard to the above, the trustees believe it appropriate to adopt the going concern basis of accounting.

Income

All incoming resources are included in the statement of financial activities when the charity is entitled to the income, receipt is probable, and the amount can be quantified with reasonable accuracy.

The following specific policies are applied to particular categories of income:

Maintenance Contributions are recognised when receivable.

Investment income is included when receivable except for rents which are adjusted for rent free periods.

Expenditure

Expenditure is recognised on an accrual basis as each liability is incurred.

Raising funds comprise the costs associated with managing and maintaining the investment properties.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Charitable expenditure is reported under two sub headings:

Running and maintenance costs of the almshouses.

Support costs

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 30 SEPTEMBER 2025

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

The Castle Street almshouses are the functional properties of the charities and are deemed to be inalienable assets. The cost is below the estimated realisable value and hence no depreciation is provided on the original cost.

In view of the age of the Castle Street property, no expenditure in respect of updating and improvements is capitalised unless the cost of the individual items is in excess of £10,000. Following the initial fitting out of Penton House and Liberty House, fixtures and fittings will only be capitalised if the cost of individual items exceeds £1,000.

Depreciation of tangible fixed assets is provided at the following annual rates in order to write off each asset over its estimated useful life:

Penton House and Liberty House buildings: 50 years on a straight line basis
Fixtures and Fittings: 5 years on a straight line basis

No depreciation is provided on properties held as investments.

Investment property

Investment properties are included in the balance sheet at the trustees' estimation of market value. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

Taxation

As a registered charity, the charity benefits from council tax relief and is generally exempt from income tax and capital gains tax, but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

Fund accounting

Unrestricted general funds are funds that are available for use at the discretion of the trustees in the furtherance of the general objectives of the charity.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs

Pension contributions are made to the NEST scheme for those staff who wish it, in line with the Autoenrolment provisions. Costs are charged to the Statement of Financial Activities as incurred.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Creditors and provisions

Creditors and provisions are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Cash and cash equivalents

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2025

1. ACCOUNTING POLICIES - continued

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, which are described in note 1, trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimation and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects the current and future periods.

The key source of estimation uncertainty that has a significant effect on the amounts recognised in the financial statements is in respect of the investment property valuation. The charity's investment properties are stated at their estimated fair value as disclosed in Note 13.

3. DONATIONS AND LEGACIES

	30.9.25	30.9.24 as restated
	£	£
Donations	<u>300</u>	<u>300</u>
	<u>300</u>	<u>300</u>

4. INVESTMENT INCOME

	30.9.25	30.9.24 as restated
	£	£
Rents received	37,783	38,477
Deposit account interest	<u>5,558</u>	<u>6,925</u>
	<u>43,341</u>	<u>45,402</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2025

5. INCOME FROM CHARITABLE ACTIVITIES

		30.9.25	30.9.24 as restated
	Activity	£	£
Maintenance	Residential income	903,591	846,871
Heating Contribution	Residential income	22,130	22,695
Guest Room	Residential income	1,060	1,440
Other income	Residential income	21,736	36,904
		<u>948,517</u>	<u>907,910</u>

6. CHARITABLE ACTIVITIES COSTS

6a.

		30.9.25	30.9.24 as restated
		£	£
Upkeep of Almshouses (6b)		548,401	510,602
Frilsham & Yattendon Parochial Charities		2,000	2,000
Depreciation		121,856	137,107
Bad debt expense		857	326
Support costs (6c)		153,556	129,555
Mortgage interest		55,842	67,529
		<u>882,512</u>	<u>847,118</u>

The Frilsham & Yattendon Parochial Charities provides relief to persons in need in the parishes of Frilsham and Yattendon via the Churchwardens.

6b. Upkeep of Almshouses

		30.9.25	30.9.24 as restated
		£	£
Rates and water and Insurance		54,129	41,349
Light and heat		10,761	85,649
Repairs and maintenance		401,222	311,387
Estate management and service fees		28,284	23,387
Managers' Salaries and Expenses		54,005	48,830
		<u>548,401</u>	<u>510,602</u>

6c. Support costs

		30.9.25	30.9.24 as restated
		£	£
Operations Manager Salary and Expenses		60,156	58,055
Managers' office costs		16,680	18,762
Sundries		4,676	2,251
Governance costs:			
Professional fees		54,836	37,310
Audit fees		13,200	9,600
Accountancy fees		4,008	3,577
		<u>153,556</u>	<u>129,555</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2025

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 September 2025 nor for the year ended 30 September 2024.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 September 2025 nor for the year ended 30 September 2024.

8. STAFF COSTS

	30.9.25	30.9.24 as restated
	£	£
Wages and salaries	104,602	97,541
Social security costs	4,080	4,193
Other pension costs	<u>5,479</u>	<u>5,151</u>
	114,161	106,885
Recruitment and training	<u>-</u>	<u>980</u>
	<u><u>114,161</u></u>	<u><u>107,865</u></u>

The average monthly number of employees during the year was as follows:

	30.9.25	30.9.24
Housing Managers and Accountant	3	3
Operations Manager	<u>1</u>	<u>1</u>
	<u><u>4</u></u>	<u><u>4</u></u>

No employees received emoluments in excess of £60,000.

The remuneration of key management personnel (including employers NI and employers pension costs) is £60,156 (2024: £58,055).

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2025

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Restricted fund	Total funds as restated
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	299	-	299
Charitable activities			
Residential income	907,911	-	907,911
Investment income	<u>45,402</u>	<u>-</u>	<u>45,402</u>
Total	<u>953,612</u>	<u>-</u>	<u>953,612</u>
EXPENDITURE ON			
Charitable activities			
Charitable activities	<u>847,118</u>	<u>-</u>	<u>847,118</u>
NET INCOME	106,494	-	106,494
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>7,648,679</u>	<u>48,351</u>	<u>7,697,030</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>7,755,173</u></u>	<u><u>48,351</u></u>	<u><u>7,803,524</u></u>

10. PRIOR YEAR ADJUSTMENT

There is a prior year adjustment to recognise electricity income of £16,841 and expenditure of £16,841 generated by a feed in tariff. This adjustment had no effect on prior year reserves brought forward.

There is also a prior year adjustment relating to investment property valuation. A revaluation of -£4,500 was presented in the published financial statements in the year ending 30.09.24. However, since the revaluation took place after the year end, these financial statements have been adjusted to include the effect taking place this year with the comparatives being restated. The restating effect on the brought forward reserves was +£4,500.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2025

11. INDIVIDUAL ITEM OF EXPENDITURE REQUIRING DISCLOSURE DUE TO EXCEPTIONAL SIZE

During the year Castle Street repairs (classified under Repairs and Maintenance) totalled £207,981. These works were carried out by Carman Contracting Limited.

12. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Totals £
COST			
At 1 October 2024	8,848,489	92,213	8,940,702
Additions	<u>-</u>	<u>15,396</u>	<u>15,396</u>
At 30 September 2025	<u>8,848,489</u>	<u>107,609</u>	<u>8,956,098</u>
DEPRECIATION			
At 1 October 2024	1,331,661	84,245	1,415,906
Charge for year	<u>118,553</u>	<u>3,303</u>	<u>121,856</u>
At 30 September 2025	<u>1,450,214</u>	<u>87,548</u>	<u>1,537,762</u>
NET BOOK VALUE			
At 30 September 2025	<u>7,398,275</u>	<u>20,061</u>	<u>7,418,336</u>
At 30 September 2024	<u>7,516,828</u>	<u>7,968</u>	<u>7,524,796</u>

The Almshouse property includes the property in Castle Street, Reading, Penton House, Kennet Island Reading and Liberty House, Lower Earley, Reading. The market value of Castle Street Almshouses was obtained at 30 September 2022 by Simmons & Sons and was £4.22million (included at a net book value of £48,351 above).

The value of the freehold land included within the Penton House property cost is £1,597,925.

The value of the freehold land included with the Liberty House property cost is £1,025,000.

13. INVESTMENT PROPERTY

	as restated £
FAIR VALUE	
At 1 October 2024	475,000
Revaluation	<u>(4,500)</u>
At 30 September 2025	<u>470,500</u>
NET BOOK VALUE	
At 30 September 2025	<u>470,500</u>
At 30 September 2024	<u>475,000</u>

The investment property is a property in West Street which was valued at £470,500 as at 15 October 2024 by Simmons & Sons.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2025

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.25	30.9.24 as restated
	£	£
Other debtors	16,098	7,180
Prepayments and accrued income	<u>33,299</u>	<u>43,659</u>
	<u>49,397</u>	<u>50,839</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.25	30.9.24 as restated
	£	£
Bank loans and overdrafts (see note 17)	85,720	77,974
Trade creditors	6,619	9,444
Social security and other taxes	1,499	1,892
Other creditors	24,950	27,790
Accruals and deferred income	6,931	-
Accrued expenses	<u>23,872</u>	<u>37,149</u>
	<u>149,591</u>	<u>154,249</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.9.25	30.9.24 as restated
	£	£
Bank loans (see note 17)	655,781	747,070
Other creditors	<u>20,000</u>	<u>20,000</u>
	<u>675,781</u>	<u>767,070</u>

17. LOANS

An analysis of the maturity of loans is given below:

	30.9.25	30.9.24 as restated
	£	£
Amounts falling due within 1 year	85,720	77,974
Amounts falling due within 1-2 years	85,720	77,974
Amounts falling due between 2-5 years	342,881	233,927
Amounts falling due after 5 years	<u>227,180</u>	<u>435,169</u>
	<u>741,500</u>	<u>825,044</u>

A bank loan of £1,000,000 was advanced in February 2019. The loan is repayable over 10 years with an interest only period for the first 2 years. Interest is charged at 2% above the bank's base rate.

A bank loan of £500,000 was advanced in February 2019. The loan is repayable over 10 years with an interest only period for the first 2 years. Interest is charged at 2.35% above the bank's base rate.

The loans are secured by a charge over the Castle Street Almshouses.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2025

18. LEASING AGREEMENTS

The charity earns rental income by leasing its investment properties to tenants under non-cancellable operating leases. Leases in which substantially all risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

At the balance sheet date, the charity had contracted with tenants to receive the following future minimum lease payments:

	30.9.25 £	30.9.24 as restated £
Not later than one year	40,000	40,000
Later than one year and not later than five years	<u>68,164</u>	<u>108,164</u>
	<u>108,164</u>	<u>148,164</u>

There are no contingent rents recognised as income.

19. MOVEMENT IN FUNDS

	At 1.10.24 £	Prior year adjustment £	Net movement in funds £	At 30.9.25 £
Unrestricted funds				
General fund	7,750,673	4,500	105,146	7,860,319
Restricted funds				
Restricted fund	<u>48,351</u>	-	-	<u>48,351</u>
TOTAL FUNDS	<u>7,799,024</u>	<u>4,500</u>	<u>105,146</u>	<u>7,908,670</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	992,158	(887,012)	105,146
TOTAL FUNDS	<u>992,158</u>	<u>(887,012)</u>	<u>105,146</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2025

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.10.23 £	Net movement in funds £	At 30.9.24 £
Unrestricted funds			
General fund	7,648,679	106,494	7,755,173
Restricted funds			
Restricted fund	48,351	-	48,351
TOTAL FUNDS	<u>7,697,030</u>	<u>106,494</u>	<u>7,803,524</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	953,612	(847,118)	106,494
TOTAL FUNDS	<u>953,612</u>	<u>(847,118)</u>	<u>106,494</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.10.23 £	Prior year adjustment £	Net movement in funds £	At 30.9.25 £
Unrestricted funds				
General fund	7,648,679	4,500	211,640	7,864,819
Restricted funds				
Restricted fund	48,351	-	-	48,351
TOTAL FUNDS	<u>7,697,030</u>	<u>4,500</u>	<u>211,640</u>	<u>7,913,170</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2025

19. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,945,770	(1,734,130)	211,640
TOTAL FUNDS	<u>1,945,770</u>	<u>(1,734,130)</u>	<u>211,640</u>

The restricted funds are wholly due to the inalienable assets which are the Castle Street almshouses.

20. RELATED PARTY DISCLOSURES

In the previous year 2024, £2,000 was donated to Frilsham & Yattendon Parochial Charities, for which the previous Reverend Glynnis Lautenbach's husband is the Rector of the Hermitage Benefice, including Frilsham and Yattendon. The trustee that was associated with Frilsham & Yattendon was not a trustee in this current reporting period.

21. ANALYSIS OF DEFERRED INCOME

	2025 £	2024 £
Amounts brought forward	-	-
Released to the Statement of Financial Activities	-	-
Deferred in the current year	6,931	-
Amounts carried forward	<u>6,931</u>	<u>-</u>

In 2025, £6,931 deferred income has been credited in respect of an amount of an amount received in advance for monthly management charges.

22. AUDITOR'S REMUNERATION

	2025 £	2024 £
Audit fee	13,200	9,600
Auditor's remuneration for non-audit fees	3,432	3,000
Total fee payable to the audit company	<u>16,632</u>	<u>12,600</u>

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 SEPTEMBER 2025

	30.9.25 £	30.9.24 as restated £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	<u>300</u>	<u>300</u>
	300	300
Investment income		
Rents received	37,783	38,477
Deposit account interest	<u>5,558</u>	<u>6,925</u>
	43,341	45,402
Charitable activities		
Maintenance	903,591	846,871
Heating Contribution	22,130	22,695
Guest Room	1,060	1,440
Other income	<u>21,736</u>	<u>36,904</u>
	<u>948,517</u>	<u>907,910</u>
Total incoming resources	992,158	953,612
EXPENDITURE		
Charitable activities		
Wages	104,602	97,541
Social security	4,080	4,193
Pensions	5,479	5,151
Rates and water	18,586	7,850
Insurance	35,543	33,499
Light and heat	10,761	85,648
Sundries	4,677	2,251
Estate management and service fees	28,284	23,387
Repairs and maintenance	401,221	311,387
Audit fees	13,200	9,600
Professional fees	54,836	37,310
Mortgage interest	55,842	67,529
Frilsham & Yattendon Parochial Charities	2,000	2,000
Bad debt expense	857	326
Managers' office costs	16,680	18,762
Accountancy fees	4,008	3,577
Freehold property	121,856	118,553
Fixtures and fittings	<u>-</u>	<u>18,554</u>
	882,512	847,118

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 SEPTEMBER 2025

	30.9.25	30.9.24 as restated
	£	£
Charitable activities		
Other		
Loss on revaluation of investments	<u>4,500</u>	<u>-</u>
Total resources expended	<u>887,012</u>	<u>847,118</u>
Net income	<u><u>105,146</u></u>	<u><u>106,494</u></u>



READING ALMSHOUSE CHARITY
(A CHARITABLE INCORPORATED ORGANISATION)
CHARITY REGISTRATION 1152759
REGISTERED ADDRESS: THE OFFICE, PENTON HOUSE, 58 LONGSHIPS WAY, READING, RG2 0GP

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2025

Accounts

READING ALMSHOUSE CHARITY

(A CHARITABLE INCORPORATED ORGANISATION)

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024



CHARITY REGISTRATION 1152759

*People come to live in almshouses to feel safe,
secure in the knowledge that they will be charged
an affordable rent and be surrounded by a supportive
community of residents, staff and trustees.*



Housing
with Heart





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REPORT OF THE TRUSTEES

The Trustees present their Annual Report for the year ended 30 September 2024 under the Charities Act 2011, together with the financial statements for the year. The Board of Trustees confirms that the latter comply with the requirements of the Charity's governing documents, applicable law, and the Charities SORP (FRS102).

OUR PUBLIC BENEFIT

In considering their objectives for the year, the Trustees have had regard to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011. The provision of almshouse accommodation for those in need provides an identifiable public benefit which is directly in line with the Charity's aims. Beneficiaries of almshouses must be in need and will be drawn from that section of the public who are especially vulnerable.

OUR MISSION

We provide and maintain affordable accommodation in a community environment on three sites in the Reading and Earley area. Our residents are adults in need who are of good character and are able to live independently.

OUR CHARITABLE OBJECTIVES

The provision of housing accommodation to those in need who have resided within 20 miles of St. Mary's Church, St. Mary's Butts, Reading, for not less than three years preceding the time of appointment as a beneficiary of the Charity and are of good character.

OUR HISTORY

The Reading Almshouse Charity has existed since 1880 and our original buildings at Castle Street are part of the historic Reading Street scene.



What is the purpose of almshouses?

Almshouses are the United Kingdom's oldest form of social housing. They continue to be a direct response to the challenges of poverty in general and housing poverty in particular.

Homelessness and poverty – the challenges of finding a home in Reading

Affordable housing is in short supply and demand for rented property is very high in all parts of the country. People on low incomes in the Reading area are facing many hurdles in their search for a safe and affordable home. Local house prices are significantly higher than the national average and fewer people can afford to purchase properties which means that the demand for rented accommodation has increased.

In Reading, the existing affordable housing shortage has been made more challenging as students and young professionals are attracted to our area by the connections offered by the Elizabeth Line. This has increased competition for already scarce rented property and average market rents have risen. This is also causing an increase in private landlord evictions as landlords wish to benefit from higher rents which can be paid by wealthier tenants.

Universal Credit changes have also caused concerns amongst some landlords as they fear that some tenants may find it difficult to manage and prioritise rent payments under the new system. In the current competitive rental market these concerns have contributed to an increasing reluctance for some landlords to renew or offer new tenancies to anyone in receipt of benefits. Tax changes and fear of future tax changes have persuaded landlords to leave the rental market altogether and this has further reduced supply and increased competition for properties.

Many working age people on low incomes are facing eviction because they cannot afford their rental payments.

Homelessness is caused by several factors:

- Private landlord eviction
- Inability to pay market rent
- Shortage of affordable housing
- Relationship breakdown
- Family or friends asking people to leave.

Elderly homelessness

As people age and retire they become even less likely to be able to afford market-based rent and this drives elderly homelessness. Shelter reports that 67% of private renters aged 55-64 will not be able to pay rent on a suitable home when they retire, unless they receive adequate housing benefit. Sadly, elderly homelessness has risen by 11.4% in the last year alone.

There are also 20,000 people of all ages sleeping in hostels or supported accommodation. People not entitled to accommodation may end up on the streets, sleeping on friends or family sofas or in dangerous living conditions.

Almshouses – how we provide a solution for those in housing need

Almshouses offer a vital solution in this housing crisis by providing a well maintained and affordable home.

Our portfolio now includes 104 dwellings:

- At our Castle Street property we offer 27 flats to people over 18 years of age
- At our Penton House property we offer 41 flats to people over 55 years of age
- At our Liberty House property we offer 36 flats to people over 18 years of age

Our most elderly population live at Castle Street. Castle Street is our longest held property and some of the residents have lived there for many years. We do our utmost to enable residents to stay living in our flats for as long as possible and it is a testament to the work of our team that so many have been able to live independently for so long.

The Charity also has an investment property in West Street, Reading. Rental funds from this property are used as an important means of support for our running costs.

Homeless aged 81 – Ms A's story

Through no fault of her own, 81-year-old Ms A found herself homeless. She was forced to stay with friends and family who in many cases could only offer her a sofa to sleep on. She was desperate for a home of her own and overjoyed when we were able to offer her a flat. She is enjoying having a safe and secure place to call home and involving herself in communal activities with her neighbours and all that almshouse life has to offer.



OUR YEAR – READING ALMSHOUSE CHARITY ACHIEVEMENTS AND PERFORMANCE

The charity has had a very successful year fulfilling our mission.

Our accommodation

We have continued to maintain all our buildings to a high standard and our flats are in good condition with all the costs of maintenance being borne by our Charity.

We focused our attention this year on our Castle Street property, as these grade II listed buildings continue to require a considerable portion of our funds in order to bring the quality and condition of the flats up to modern standards. We replaced all 27 boilers which has resulted in better fuel efficiency, and we have also replaced all the flats' front doors which has resulted in improved fire safety and security along with upgrading the heat retention in each flat.

We also understand the importance of our gardens to our residents knowing that everyone benefits from time spent outdoors and we work to ensure that our gardens are enjoyable, peaceful green spaces. We are proud that last year, Castle Street won the Reading in Bloom community gardens award.

Our Residents

We continued to offer affordable, pleasant and well-maintained accommodation to all 116 residents living in our 104 flats. We are always able to fill vacant flats quickly as they are in high demand. The residents are from a variety of backgrounds and range from age 28 to 96 years.

Residents live in safety, secure in the knowledge that there is someone to speak to if they are worried or have concerns about their home, life in an almshouse or other issues. We are always delighted when our accommodation and support has enabled people to move on with their lives.

Moving On - we asked Mr B to tell us his story in his own words



I was a resident at Penton House for a few years and in 2023 when I moved out, I was approached about being a trustee for Reading Almshouse Charity. I immediately said 'yes'. The almshouses had given so much to me over the years. My time as a resident came when I was in dire need of somewhere to live until I could get my feet back on the ground. The years I had as a resident gave me the space and peace of mind to reconstruct my life and move forward, for that, I am forever grateful to the charity.

Being a trustee has enabled me to give back to Reading Almshouse Charity and use my experience to focus on residents' issues and how to further improve matters for them.

My time as a resident has helped me gain real life experience that has given me an understanding of current resident's needs and circumstances and insights to help improve their wellbeing during their time as beneficiaries of RAC.

Our Team

Our dedicated professional team continued to support our many vulnerable residents through regular visits to ensure their wellbeing. Our team are there to give a helping hand, advice and to offer a signpost to sources of help. Where necessary, we liaise with food banks on behalf of our residents to maintain their dignity and of course to help them to eat well. We support our residents through many life challenges, helping people make their own informed decisions about their lives and futures to enable them to continue to live independently.

During the year the team arranged social functions and events to foster community spirit and keep our residents connected with the world both inside and outside their almshouse community.



Creating a Sense of Wellbeing

Our dedicated team work to ensure that living in an almshouse helps with wellbeing. Residents regularly engage in our chair yoga classes which are run by one of our residents. These classes help with mobility but are also an excellent social occasion and help to combat feelings of isolation. Chair yoga classes are always followed by tea and biscuits and give neighbours a chance to catch up with each other's news.

We arrange for Christmas meals for all our residents at local pubs and offer a summer party in the garden of each property where everyone is invited including staff and Trustees.

Our team offer support and guidance, helping residents to contact services who might help them with issues they are facing. We might help with IT and technology issues or host coffee mornings for example, inviting local Police to raise awareness with our residents of scams and personal safety when out and about.

Our team have created fact sheets and sourced useful information which explain how our residents might save money and what benefits they might be eligible to receive. Rising energy costs have worried our residents and our team have demonstrated how to use their heating systems to maximise efficiency. We have also been working with an energy consultant with the aim of improving energy efficiency throughout our almshouse accommodation.

We support many residents who are frail and coping with serious illness. Sadly, sometimes this means that we must help them with their transition to other homes which are more suited to their needs when they are no longer able to live independently. These challenging situations are managed with compassion and great sensitivity by our caring Housing Managers.

Supporting our Residents

Ms C's Story

Ms C was sadly diagnosed with a terminal illness earlier this year and our team helped her as she struggled to come to terms with her diagnosis and illness. We worked with Social Services and her family to make sure that she was comfortable and felt as supported as possible before she eventually moved from us and into palliative care. As the family lived far away, they were grateful for the use of our guestroom facility to enable them to stay close to their mother in those difficult days.

Ms D's story

Ms D lost her husband last year and had difficulty with the daunting task of applying for benefits as everything had previously been in her husband's name. Our team helped her to successfully apply for benefit payments. At this most stressful time, she had no income, we helped to arrange for foodbank parcels whilst she waited for her benefits claim to be processed and funds to be paid. Working together, they managed to get housing benefit to be backdated and pension credit in payment. Ms D is now managing her finances and enjoying the support of her almshouse friends.





Photo by Kelly on Pexels

Safeguarding our Residents

Reading Almshouse Charity is a supportive provider of “housing with heart”. We have a duty to safeguard the wellbeing of all our residents. This means that we must provide a safe and respectful place for our residents to live.

Whilst our residents are expected to be capable of living independently, we recognise that some may be vulnerable, due to their age or because of their personal history.

We actively encourage social interaction to combat isolation and loneliness, but this does also present some risk of conflict between residents.

Staff meet monthly with the Trustee who has designated safeguarding responsibilities to review cases and agree action plans to tackle issues from resident conflict through to hoarding.

All our staff and Trustees are subject to DBS checks. Staff and Trustees are required to complete adult safeguarding training and regularly update their knowledge. Staff know how to report safeguarding issues, and these are dealt with quickly and appropriately. Dealing with safeguarding issues can be time-consuming and stressful for our staff. We ensure staff are well supported and we have introduced access to an Employee Assistance Programme to help our team to better manage their mental health.

Our designated Safeguarding Trustee is responsible for reporting to full-board meetings. Shortcomings are identified and recommendations or adjustments made so that the charity can constantly improve its ability to respond to safeguarding issues.

Between October 2023 to September 2024, we have dealt with one case of potential human rights abuse and three cases of neglect/hoarding. Our managers have successfully worked with residents to resolve all these issues in a timely and compassionate way, and we can report there are no outstanding cases as of September 2024.

FINANCIAL REVIEW – YEAR ENDING 2024

INCOME

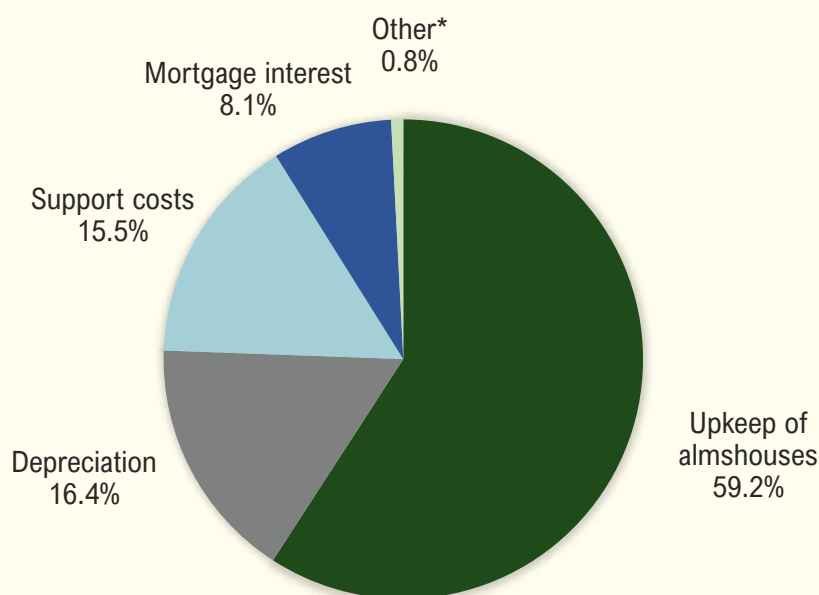
Most of our income arose from the provision of accommodation in accordance with the objects of the Charity. We received a small amount of interest income from cash on deposit, and our remaining income was received from the commercial tenant of our investment property in West Street, Reading.

EXPENDITURE

The expenditure during the year was devoted almost entirely to maintaining the almshouses in good condition and enabling the orderly and professional running of the Charity, in compliance with all relevant regulations and legislation, and supporting our mission to provide and maintain affordable accommodation in a community environment to our residents.

Expenditure on Charitable Activities

Upkeep of almshouses	£493,761
Frilsham & Yattendon donation*	£2,000
Depreciation	£137,107
Bad debt expense*	£326
Support costs	£129,555
Mortgage interest	£67,529
Loss on revaluation of investments*	£4,500
Total	£834,778

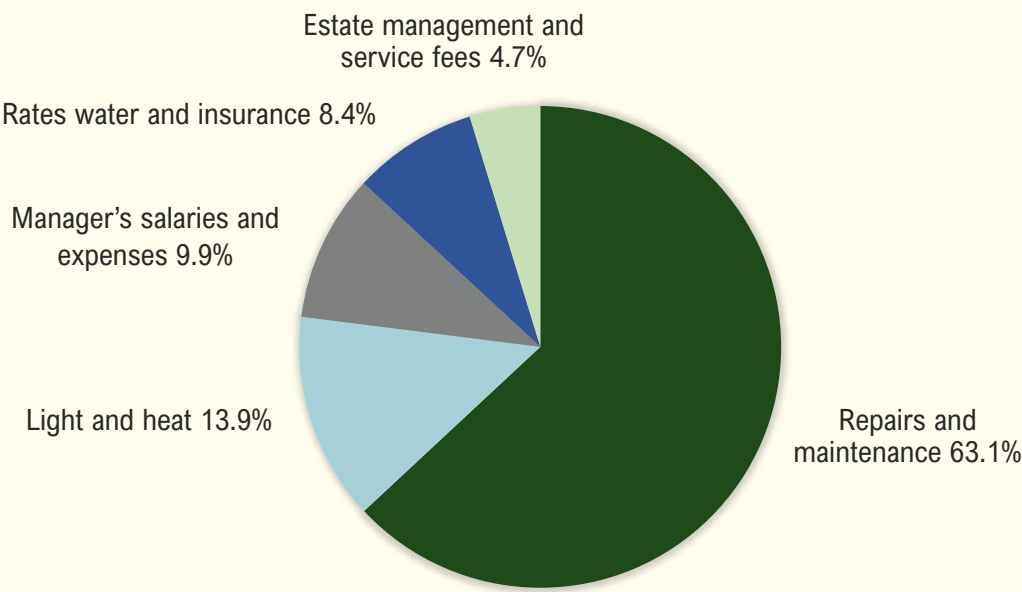


Maintaining our Properties

The Charity continues to focus on providing high quality accommodation through our planned and responsive maintenance programmes. We spent £311,387 on repairs and maintenance of our buildings.

Upkeep of Almshouses

Rates, water and insurance	£41,349
Light and heat	£68,808
Repairs and maintenance	£311,387
Estate management and service fees	£23,387
Manager’s salaries and expenses	£48,830
Total	£493,761



FUTURE PLANS

We continue to review opportunities for improving facilities, reviewing and maximising investment assets to sustain our housing and to improve the lives of our residents.

1. Redecoration of front external elevations Castle Street

We will begin a major external project refurbishment to the front elevations at Castle Street in the autumn of 2024.

2. Fundraising for major projects

There are significant costs incurred in maintaining buildings especially listed properties. Repairs to our listed building at Castle Street are complex and expensive and although we manage our funds very successfully and have been able to cover the cost of repairs from our own income up until now, it is envisaged that in the future we will need to access other sources of funding for our major improvement projects.

Reading Almshouse Charity has not engaged in fundraising in the past, but we have plans to do so in the future. Our fundraising plans will be developed over the coming years where we hope to engage a wide community of donors to help to support us, in our mission to support our residents.

For example, we have gained planning permission to replace the single glazed sash windows at the front of the Castle Street properties with slimline double-glazed units to further improve thermal insulation and reduce heating bills for all residents. The timely delivery of this project is dependent on our ability to raise substantial funds from supportive donors.

3. Land at Liberty House

In June 2022, the Charity obtained planning permission from Wokingham Borough Council to construct 18 additional flats on land adjoining Liberty House (of which six will be affordable to rent pursuant to a S106 Agreement). This consent has enhanced the value of the land, and a decision has been taken to review our options for the development of the land at a future date

4. Solar panels

We are reviewing our energy efficiency throughout our estate with the aim of moving towards greener energy sources. We plan to upgrade our existing solar panels at our Liberty House site.

5. Longer term plans

Almshouses are currently campaigning to be recognised as affordable housing under the Nations Planning Policy Framework (NPPF). If this status were to be granted it would enable almshouses to access a much wider range of funding opportunities.

INVESTMENT POLICY

Cash that is surplus to immediate requirements is held in interest bearing accounts or on time deposits. The Charity also holds property to generate rental income.

RESERVES POLICY

The Trustees consider that the unrestricted funds are sufficient to finance on-going charitable expenditure given the rental income flows. The Trustees' current policy is to retain a cash reserve of £300,000 to cover any major unexpected repairs to the almshouses, together with providing on going working capital. The cash reserves cover up to six months' normal expenditure. This policy is reviewed by the Trustees on an annual basis.

	2024 £	2023 £
Total Charity funds per balance sheet:	7,799,024	7,697,030
Deduct:		
Almshouse properties, fixtures and fittings	(7,524,796)	(7,660,199)
Add back associated loans	825,044	901,392
Free reserves	1,099,272	938,223

KEY RISKS AND UNCERTAINTIES

The Trustees have reviewed all potential risks that might affect our Charity and the three key risks are:

1. An event occurring in one of our almshouse properties which would result in almshouse residents needing to be re-housed.
2. Loss of key staff
3. Adverse legislation impacting almshouses.

The Charity has prepared a comprehensive risk assessment which is regularly reviewed and updated. Insurance is in place to cover potential financial loss and there is a planned ongoing property maintenance programme.

IN CONCLUSION

We remain confident that the Charity is providing the benefits intended and its assets and financial resources are well managed. We are proud of the progress we have already made in improving the good governance of the Charity and look forward to continuing this work with our team.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is controlled by its governing document, its constitution and constitutes a CIO.

The administration of the Charity is in the hands of the Trustees, with full Trustee meetings scheduled to take place four times per year.

Sub-committees covering resident needs including safeguarding, property plans and buildings issues and staffing are scheduled to take place monthly or quarterly; these sub-committees make recommendations to the Trustees.

The Board of Trustees appoints new Trustees to replace those who retire. The constitution provides for the appointment of up to 12 Trustees and up to three ex-officio Trustees, with a minimum of five Trustees. New Trustees are sought through advertisement within a variety of media including local volunteer recruitment websites, our own website and by word of mouth from the local community. Skills such as expertise in property, law, finance and low-cost housing is valued but the aim is to have a mixed and wide breadth of experience.

We have created a Trustee working group to help ensure that every aspect pertaining to the Charity's governance is sound and compliant with its constitution and the law. Policies and procedures have been reviewed to ensure the Charity is working to the highest of standards.

We are grateful for the contribution made to the Charity by our expert Trustees who range in age from their mid-twenties to early seventies.

The Charity employs a full time Operations Manager to oversee the smooth running of the charity, two part time Housing Managers and a part time Accountant.

A sub-committee of the Trustee board reviews salaries in detail annually considering the skill sets required, the responsibility involved, hours needed, and market pay rates.



REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1152759

Principal address

The Office
Penton House
58 Longships Way
Reading, RG2 0GP

Trustees

J L Thomas Chair

P R Clark (resigned 16.11.23)

M B Cooper

J W Cornwell

A Crawford (appointed 17.9.24)

M Forster (appointed 30.1.24)

C A Hubbard

N O Olembo

S Sharpe

J A Spratley

P J Webb (resigned 21.5.24)

C M Wise

Rev S Wratten

Auditors

Bennewith 2018 Limited (Statutory Auditors)
Upper Ground Floor
18 Farnham Road
Guildford
Surrey
GU1 4XA

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the Trustees 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 the incoming resources and application of resources, including the income and expenditure, of the Charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Approved by order of the Board of Trustees on 28 January 2025 and signed on its behalf by:

.....

J L Thomas - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF READING ALMSHOUSE CHARITY

Opinion

We have audited the financial statements of Reading Almshouse Charity (the 'charity') for the year ended 30 September 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (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 30 September 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditors' 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 trustees' 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 period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF READING ALMSHOUSE CHARITY (CONTINUED)

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees 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 and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees 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 trustees are 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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF READING ALMSHOUSE CHARITY (CONTINUED)

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined the most significant are those that relate to FRS 102, pension laws and regulations and tax regulations.

We assessed the risks of material misstatement in respect of fraud as follows:

- Enquiries made of management and those charged with governance as well as the payroll services
- Analytical procedures were used to identify if there were any unusual or unexpected relationships
- Discussions with management to identify any fraud risk factors of related party relationships and transactions

Based on the results of our risk assessment, we designed our audit procedures to identify non-compliance with such laws and regulations identified above.

Enquiries were made of management and those charged with governance. We corroborated our enquiries through the review of Board minutes and other papers provided. There was no contradictory evidence.

Based on the results of our risk assessment, we designed our audit procedures to identify and to address material misstatements in relation to fraud. We incorporated an element of unpredictability in the selection of the nature, timing, and extent of audit procedures.

Where transaction meeting risk criteria were identified, we carried out further work such as additional testing to source information.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Bennewith 2018 Limited (Statutory Auditors)
Upper Ground Floor
18 Farnham Road
Guildford
Surrey
GU1 4XA

Date: 28 January 2025



STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 SEPTEMBER 2024

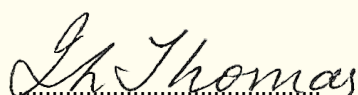
		Unrestricted fund	Restricted fund	30.9.24 Total funds	30.9.23 Total funds as restated
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	300	-	300	-
Charitable activities	5				
Residential income		891,070	-	891,070	838,819
Investment income	4	<u>45,402</u>	<u>-</u>	<u>45,402</u>	<u>43,487</u>
Total		<u>936,772</u>	<u>-</u>	<u>936,772</u>	<u>882,306</u>
EXPENDITURE ON					
Charitable activities	6				
Charitable activities		830,278	-	830,278	878,056
Other		<u>4,500</u>	<u>-</u>	<u>4,500</u>	<u>-</u>
Total		<u>834,778</u>	<u>-</u>	<u>834,778</u>	<u>878,056</u>
NET INCOME		101,994	-	101,994	4,250
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>7,648,679</u>	<u>48,351</u>	<u>7,697,030</u>	<u>7,692,780</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>7,750,673</u></u>	<u><u>48,351</u></u>	<u><u>7,799,024</u></u>	<u><u>7,697,030</u></u>

The notes form part of these financial statements

BALANCE SHEET 30 SEPTEMBER 2024

	Notes	Unrestricted fund £	Restricted fund £	30.9.24 Total funds £	30.9.23 Total funds as restated £
FIXED ASSETS					
Tangible assets	11	7,476,445	48,351	7,524,796	7,660,199
Investment property	12	<u>470,500</u>	<u>-</u>	<u>470,500</u>	<u>475,000</u>
		7,946,945	48,351	7,995,296	8,135,199
CURRENT ASSETS					
Debtors	13	50,839	-	50,839	48,574
Cash at bank		<u>674,208</u>	<u>-</u>	<u>674,208</u>	<u>490,044</u>
		725,047	-	725,047	538,618
CREDITORS					
Amounts falling due within one year	14	(154,249)	-	(154,249)	(149,642)
		<u>570,798</u>	<u>-</u>	<u>570,798</u>	<u>388,976</u>
NET CURRENT ASSETS					
		8,517,743	48,351	8,566,094	8,524,175
CREDITORS					
Amounts falling due after more than one year	15	(767,070)	-	(767,070)	(827,145)
		<u>7,750,673</u>	<u>48,351</u>	<u>7,799,024</u>	<u>7,697,030</u>
NET ASSETS					
FUNDS	18				
Unrestricted funds				7,750,673	7,648,679
Restricted funds				<u>48,351</u>	<u>48,351</u>
TOTAL FUNDS				<u>7,799,024</u>	<u>7,697,030</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 28 January 2025.
and were signed on its behalf by:



J L Thomas - Trustee

The notes form part of these financial statements

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2024

		30.9.24	30.9.23 as restated
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	<u>322,820</u>	<u>153,437</u>
Net cash provided by operating activities		<u>322,820</u>	<u>153,437</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,704)	(8,007)
Interest received		<u>6,925</u>	<u>5,010</u>
Net cash provided by/(used in) investing activities		<u>5,221</u>	<u>(2,997)</u>
Cash flows from financing activities			
Loan repayments in year		(76,348)	(75,751)
Bank interest paid		<u>(67,529)</u>	<u>(58,716)</u>
Net cash used in financing activities		<u>(143,877)</u>	<u>(134,467)</u>
		—————	—————
Change in cash and cash equivalents in the reporting period		184,164	15,973
Cash and cash equivalents at the beginning of the reporting period		<u>490,044</u>	<u>474,071</u>
Cash and cash equivalents at the end of the reporting period		<u><u>674,208</u></u>	<u><u>490,044</u></u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2024

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	30.9.24	30.9.23 as restated
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	101,994	4,250
Adjustments for:		
Depreciation charges	137,107	134,794
Losses on investments	4,500	-
Interest received	(6,925)	(5,010)
Interest payable	67,529	58,716
Increase in debtors	(2,265)	(12,085)
Increase/(decrease) in creditors	<u>20,880</u>	<u>(27,228)</u>
Net cash provided by operations	<u>322,820</u>	<u>153,437</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.10.23 £	Cash flow £	At 30.9.24 £
Net cash			
Cash at bank	490,044	184,164	674,208
Less: Deposits treated as liquid resources	<u>(215,000)</u>	<u>-</u>	<u>(215,000)</u>
	<u>275,044</u>	<u>184,164</u>	<u>459,208</u>
Liquid resources			
Deposits included in cash	215,000	-	215,000
Current asset investments	<u>-</u>	<u>-</u>	<u>-</u>
	<u>215,000</u>	<u>-</u>	<u>215,000</u>
Debt			
Debts falling due within 1 year	(74,247)	(3,727)	(77,974)
Debts falling due after 1 year	<u>(827,145)</u>	<u>80,075</u>	<u>(747,070)</u>
	<u>(901,392)</u>	<u>76,348</u>	<u>(825,044)</u>
Total	<u>(411,348)</u>	<u>260,512</u>	<u>(150,836)</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The accounts have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Reading Almshouse Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Going concern

The charity depends on bank loan facilities which funded the purchase of Liberty House. Current forecasts indicate that the charity expects to be able to operate within these facilities for the whole of the foreseeable future.

In their assessment of going concern, the trustees have considered the current and developing impact on the charity as a result of macro-economic factors. This has not had a significant, immediate impact on the charity's operations because income and expenditure continue at previous levels resulting in an ongoing surplus, but the trustees are aware that if the current situation becomes prolonged then this may change. In addition, the charity has significant cash resources and an investment property which could be sold. Having regard to the above, the trustees believe it appropriate to adopt the going concern basis of accounting.

Income

All incoming resources are included in the statement of financial activities when the charity is entitled to the income, receipt is probable, and the amount can be quantified with reasonable accuracy.

The following specific policies are applied to particular categories of income:

Maintenance Contributions are recognised when receivable.

Investment income is included when receivable except for rents which are adjusted for rent free periods.

Expenditure

Expenditure is recognised on an accrual basis as each liability is incurred.

Raising funds comprise the costs associated with managing and maintaining the investment properties.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Charitable expenditure is reported under two sub headings:

Running and maintenance costs of the almshouses.

Support costs

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2024

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

The Castle Street almshouses are the functional properties of the charities and are deemed to be inalienable assets. The cost is below the estimated realisable value and hence no depreciation is provided on the original cost.

In view of the age of the Castle Street property, no expenditure in respect of updating and improvements is capitalised unless the cost of the individual items is in excess of £10,000. Following the initial fitting out of Penton House and Liberty House, fixtures and fittings will only be capitalised if the cost of individual items exceeds £1,000.

Depreciation of tangible fixed assets is provided at the following annual rates in order to write off each asset over its estimated useful life:

Penton House and Liberty House buildings: 50 years on a straight line basis

Fixtures and Fittings: 5 years on a straight line basis

No depreciation is provided on properties held as investments.

Investment property

Investment properties are included in the balance sheet at the trustees' estimation of market value. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

Taxation

As a registered charity, the charity benefits from council tax relief and is generally exempt from income tax and capital gains tax, but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

Fund accounting

Unrestricted general funds are funds that are available for use at the discretion of the trustees in the furtherance of the general objectives of the charity.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs

Pension contributions are made to the NEST scheme for those staff who wish it, in line with the Autoenrolment provisions. Costs are charged to the Statement of Financial Activities as incurred.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Creditors and provisions

Creditors and provisions are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2024

1. ACCOUNTING POLICIES - continued

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, which are described in note 1, trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimation and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects the current and future periods.

The key source of estimation uncertainty that has a significant effect on the amounts recognised in the financial statements is in respect of the investment property valuation. The charity's investment properties are stated at their estimated fair value as disclosed in Note 13.

3. DONATIONS AND LEGACIES

	30.9.24	30.9.23 as restated
	£	£
Donations	<u>300</u>	<u>-</u>

4. INVESTMENT INCOME

	30.9.24	30.9.23 as restated
	£	£
Rents received	38,477	38,477
Deposit account interest	<u>6,925</u>	<u>5,010</u>
	<u>45,402</u>	<u>43,487</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2024

5. INCOME FROM CHARITABLE ACTIVITIES

		30.9.24	30.9.23 as restated
	Activity	£	£
Maintenance	Residential income	846,871	820,616
Heating Contribution	Residential income	22,695	15,222
Guest Room	Residential income	1,440	1,113
Other income	Residential income	<u>20,064</u>	<u>1,868</u>
		<u>891,070</u>	<u>838,819</u>

The other income includes a dispute settlement of £16,500 regarding a leaky roof claim.

6. CHARITABLE ACTIVITIES COSTS

6a. Expenditure on Charitable Activities

	30.9.24	30.9.23 as restated
	£	£
Upkeep of Almshouses (6b)	493,761	548,492
Frilsham & Yattendon Parochial Charities	2,000	2,000
Depreciation	137,107	134,794
Bad debt expense	326	3,588
Support costs (6c)	129,555	130,466
Mortgage interest	67,529	58,716
Loss on revaluation of investments	<u>4,500</u>	<u>-</u>
	<u>834,778</u>	<u>878,056</u>

The Frilsham & Yattendon Parochial Charities provides relief to persons in need in the parishes of Frilsham and Yattendon via the Churchwardens.

6b. Upkeep of Almshouses

	30.9.24	30.9.23 as restated
	£	£
Rates and water and Insurance	41,349	37,021
Light and heat	68,808	47,605
Repairs and maintenance	311,387	369,715
Estate management and service fees	23,387	36,080
Managers' Salaries and Expenses	48,830	57,977
Council tax on vacant accommodation	<u>-</u>	<u>94</u>
	<u>493,761</u>	<u>548,492</u>

6c. Support costs

	30.9.24	30.9.23 as restated
	£	£
Operations Manager Salary and Expenses	58,055	48,605
Managers' office costs	18,762	16,764

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2024

6. CHARITABLE ACTIVITIES COSTS – continued

Sundries	2,251	4,029
Governance costs:		
Professional fees	37,310	46,502
Audit fees	9,600	14,566
Accountancy fees	<u>3,577</u>	<u>-</u>
	<u>129,555</u>	<u>130,466</u>

The accountancy fees for the year ended 30 September 2023 are tied up in the audit fees of £14,566 as a reliable split cannot be determined.

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 September 2024 nor for the year ended 30 September 2023.

Trustees' expenses

There were trustees who were reimbursed for seminar and travel expenses totalling £233 (2023: £1,573 for functions and retirement gifts).

8. STAFF COSTS

	30.9.24	30.9.23 as restated
	£	£
Wages and salaries	97,541	98,698
Social security costs	4,193	3,550
Other pension costs	<u>5,151</u>	<u>4,334</u>
	106,885	106,582
Recruitment and training	<u>980</u>	<u>14,337</u>
	<u>107,865</u>	<u>120,919</u>

The average monthly number of employees during the year was as follows:

	30.9.24	30.9.23
Housing Managers and Accountant	3	2
Operations Manager	<u>1</u>	<u>1</u>
	<u>4</u>	<u>3</u>

No employees received emoluments in excess of £60,000.

The remuneration of key management personnel (including employers NI and employers pension costs) is £58,055 (2023: £48,605).

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2024

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds as restated £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Residential income	838,819	-	838,819
Investment income	<u>43,487</u>	<u>-</u>	<u>43,487</u>
Total	<u>882,306</u>	<u>-</u>	<u>882,306</u>
EXPENDITURE ON			
Charitable activities			
Charitable activities	<u>878,056</u>	<u>-</u>	<u>878,056</u>
NET INCOME	4,250	-	4,250
Transfers between funds	<u>(48,351)</u>	<u>48,351</u>	<u>-</u>
Net movement in funds	(44,101)	48,351	4,250
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>7,692,780</u>	<u>-</u>	<u>7,692,780</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>7,648,679</u></u>	<u><u>48,351</u></u>	<u><u>7,697,030</u></u>

10. PRIOR YEAR ADJUSTMENT

There is a prior year adjustment to reclassify the inalienable assets as a restricted asset in line with Charities Law.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2024

11. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Totals £
COST			
At 1 October 2023	8,848,489	90,509	8,938,998
Additions	<u>-</u>	<u>1,704</u>	<u>1,704</u>
At 30 September 2024	<u>8,848,489</u>	<u>92,213</u>	<u>8,940,702</u>
DEPRECIATION			
At 1 October 2023	1,213,108	65,691	1,278,799
Charge for year	<u>118,553</u>	<u>18,554</u>	<u>137,107</u>
At 30 September 2024	<u>1,331,661</u>	<u>84,245</u>	<u>1,415,906</u>
NET BOOK VALUE			
At 30 September 2024	<u>7,516,828</u>	<u>7,968</u>	<u>7,524,796</u>
At 30 September 2023	<u>7,635,381</u>	<u>24,818</u>	<u>7,660,199</u>

The Almshouse property includes the property in Castle Street, Reading, Penton House, Kennet Island Reading and Liberty House, Lower Earley, Reading. The market value of Castle Street Almshouses was obtained at 30 September 2022 by Simmons & Sons and was £4.22million (included at a net book value of £48,351 above).

The value of the freehold land included within the Penton House property cost is £1,597,925.

The value of the freehold land included with the Liberty House property cost is £1,025,000.

12. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 October 2023	475,000
Revaluation	<u>(4,500)</u>
At 30 September 2024	<u>470,500</u>
NET BOOK VALUE	
At 30 September 2024	<u>470,500</u>
At 30 September 2023	<u>475,000</u>

The investment property is a property in West Street which was valued at £470,500 as at 15 October 2024 by Simmons & Sons.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2024

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.24	30.9.23 as restated
	£	£
Other debtors	7,180	13,649
Prepayments	<u>43,659</u>	<u>34,925</u>
	<u>50,839</u>	<u>48,574</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.24	30.9.23 as restated
	£	£
Bank loans and overdrafts (see note 16)	77,974	74,247
Trade creditors	9,444	-
Taxation and social security	1,892	1,576
Other creditors	<u>64,939</u>	<u>73,819</u>
	<u>154,249</u>	<u>149,642</u>

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

	30.9.24	30.9.23 as restated
	£	£
Bank loans (see note 16)	747,070	827,145
Other creditors	<u>20,000</u>	<u>-</u>
	<u>767,070</u>	<u>827,145</u>

16. LOANS

An analysis of the maturity of loans is given below:

	30.9.24	30.9.23 as restated
	£	£
Amounts falling due within 1 year	77,974	74,247
Amounts falling due within 1-2 years	77,974	74,247
Amounts falling due between 2-5 years	233,927	222,743
Amounts falling due after 5 years	<u>435,169</u>	<u>530,155</u>
	<u>825,044</u>	<u>901,392</u>

A bank loan of £1,000,000 was advanced in February 2019. The loan is repayable over 10 years with an interest only period for the first 2 years. Interest is charged at 2% above the bank's base rate.

A bank loan of £500,000 was advanced in February 2019. The loan is repayable over 10 years with an interest only period for the first 2 years. Interest is charged at 2.35% above the bank's base rate.

The loans are secured by a charge over the Castle Street Almshouses.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2024

17. LEASING AGREEMENTS

The charity earns rental income by leasing its investment properties to tenants under non-cancellable operating leases. Leases in which substantially all risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

At the balance sheet date, the charity had contracted with tenants to receive the following future minimum lease payments:

	30.9.24 £	30.9.23 as restated £
Not later than one year	40,000	40,000
Later than one year and not later than five years	<u>108,164</u>	<u>148,164</u>
	<u><u>148,164</u></u>	<u><u>188,164</u></u>

There are no contingent rents recognised as income.

18. MOVEMENT IN FUNDS

	At 1.10.23 £	Net movement in funds £	At 30.9.24 £
Unrestricted funds			
General fund	7,648,679	101,994	7,750,673
Restricted funds			
Restricted fund	48,351	-	48,351
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u><u>7,697,030</u></u>	<u><u>101,994</u></u>	<u><u>7,799,024</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	936,772	(834,778)	101,994
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u><u>936,772</u></u>	<u><u>(834,778)</u></u>	<u><u>101,994</u></u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2024

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.10.22 £	Net movement in funds £	Transfers between funds £	At 30.9.23 £
Unrestricted funds				
General fund	7,692,780	4,250	(48,351)	7,648,679
Restricted funds				
Restricted fund	-	-	48,351	48,351
TOTAL FUNDS	<u>7,692,780</u>	<u>4,250</u>	<u>-</u>	<u>7,697,030</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	882,306	(878,056)	4,250
TOTAL FUNDS	<u>882,306</u>	<u>(878,056)</u>	<u>4,250</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.10.22 £	Net movement in funds £	Transfers between funds £	At 30.9.24 £
Unrestricted funds				
General fund	7,692,780	106,244	(48,351)	7,750,673
Restricted funds				
Restricted fund	-	-	48,351	48,351
TOTAL FUNDS	<u>7,692,780</u>	<u>106,244</u>	<u>-</u>	<u>7,799,024</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2024

18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,819,078	(1,712,834)	106,244
TOTAL FUNDS	<u>1,819,078</u>	<u>(1,712,834)</u>	<u>106,244</u>

19. RELATED PARTY DISCLOSURES

During the year, £2,000 (2023: £2,000) was donated to Frilsham & Yattendon Parochial Charities, for which the previous Reverend Glynnis Lautenbach's husband is the Rector of the Hermitage Benefice, including Frilsham and Yattendon. The donation was made under the terms of the Reading Almshouse Charity's constitution.

In addition, the company for which a trustee held a senior position in donated £300 during the year (2023: NIL).

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 SEPTEMBER 2024

	30.9.24 £	30.9.23 as restated £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	300	-
Investment income		
Rents received	38,477	38,477
Deposit account interest	<u>6,925</u>	<u>5,010</u>
	45,402	43,487
Charitable activities		
Maintenance	846,871	820,616
Heating Contribution	22,695	15,222
Guest Room	1,440	1,113
Other income	<u>20,064</u>	<u>1,868</u>
	<u>891,070</u>	<u>838,819</u>
Total incoming resources	936,772	882,306
EXPENDITURE		
Charitable activities		
Wages	97,541	98,698
Social security	4,193	3,550
Pensions	5,151	4,334
Rates and water	7,850	7,469
Insurance	33,499	29,552
Light and heat	68,808	47,605
Sundries	2,251	4,029
Council tax on vacant accommodation	-	94
Estate management and service fees	23,387	36,080
Repairs and maintenance	311,387	369,715
Audit fees	9,600	14,566
Professional fees	37,310	46,502
Mortgage interest	67,529	58,716
Frilsham & Yattendon Parochial Charities	2,000	2,000
Bad debt expense	326	3,588
Managers' office costs	18,762	16,764
Accountancy fees	3,577	-
Freehold property	118,553	118,553
Fixtures and fittings	<u>18,554</u>	<u>16,241</u>

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

	30.9.24	30.9.23 as restated
	£	£
Charitable activities		
Other		
Loss on revaluation of investments	<u>4,500</u>	<u>-</u>
Total resources expended	<u>834,778</u>	<u>878,056</u>
Net income	<u><u>101,994</u></u>	<u><u>4,250</u></u>



**READING ALMSHOUSE CHARITY
(A CHARITABLE INCORPORATED ORGANISATION)
CHARITY REGISTRATION 1152759
REGISTERED ADDRESS: THE OFFICE, PENTON HOUSE, 58 LONGSHIPS WAY, READING, RG2 0GP**

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

Accounts

READING ALMSHOUSE CHARITY

(A CHARITABLE INCORPORATED ORGANISATION)

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023



*A lifeline
when I
needed it
most*

*Helpful staff
I can talk to
if I have a
problem*

*Reliable
repairs and
trustworthy
contractors*

*Helped me
feel safe
again*

*Housing
with Heart*

*Friendly
neighbours
I know I
can call on*

*People live
here for a
long time*

*Good value
for money*

Source - quotes from Reading Almshouse residents' customer feedback forms

Image by Freepik

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TRUSTEES' ANNUAL REPORT

The Trustees present their Annual Report for the year ended 30 September 2023 under the Charities Act 2011, together with the financial statements for the year. The Board of Trustees confirms that the latter comply with the requirements of the Charity's governing documents, applicable law, and the Charities SORP (FRS102).

The Reading Almshouse Charity has existed since 1880 and our original buildings at Castle Street are part of Reading's history. Our portfolio has expanded over time and now includes 104 dwellings in three locations in the Reading area to continue to cater for all the people of Reading.

- At our Castle Street property we offer 27 flats
- At our Penton House property we offer 41 flats to people over 55 years of age
- At our Liberty House property we offer 36 flats to people over 18 years of age

The Charity also has an investment property in West Street, Reading, rental funds from this property are used as an important means of support for our running costs.

Most of our residents are elderly and they are often vulnerable. Reading Almshouse residents benefit hugely from living in safe homes in company with neighbours who provide a community and who look after each other.

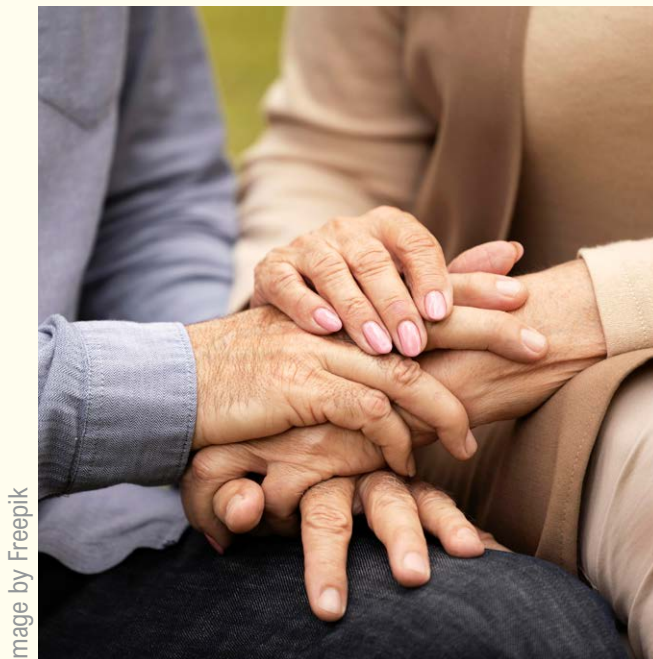


Image by Freepik



Photo by Kelly on Pexels



OUR MISSION

We provide and maintain affordable accommodation in a community environment on three sites in the Reading and Earley area. Our residents are adults in need who are of good character and are able to live independently.

OUR CHARITABLE OBJECTIVES

The provision of housing accommodation to those in need who have resided within 20 miles of St. Mary's Church, St. Mary's Butts, Reading for not less than three years preceding the time of appointment as a beneficiary of the Charity and are of good character.

OUR PUBLIC BENEFIT

In considering their objectives for the year, the Trustees have had regard to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011. The provision of almshouse accommodation for those in need provides an identifiable public benefit which is directly in line with the Charity's aims. Beneficiaries of almshouses must be in need and will be drawn from that section of the public who are especially vulnerable.

WHY ARE ALMSHOUSES SO VERY NECESSARY?

Almshouses are our oldest form of social housing. They continue to be a direct response to the challenges of poverty in general and housing poverty in particular. The Joseph Rowntree Foundation pointed out in 2013 the close links between housing and poverty and in particular the relative importance of housing cost, quality and location in enabling people to take up employment. The charity Shelter highlighted in 2020 that over 1 million households are waiting for social homes.

Benefits of Almshouses for Individuals

- Reduced vulnerability to badly maintained houses, section 21 eviction, health risks
- Increased opportunities for work
- Improved lives through lower costs (rent, rates, service charges)

Benefits of Almshouses for Public Finances

- Lower housing subsidies
- Reduced demand for social services
- Reduced demand for scarce public social housing

Benefits of Almshouses for Society

- Richer and more diverse communities
- More people working and contributing to society
- Affordable housing is particularly important to facilitate local workers in essential occupations

In their 2023 study of almshouses the Bayes Business School say that the longevity of those who move into one of the UK's 30,000 almshouses is boosted by as much as 2.5 years. Given that residents typically move into almshouses in their early 70s, this can be the equivalent of an extra 15% of their future life.

In the UK, affordable housing is in short supply and demand for rented property is very high. Many working age people on low incomes are facing eviction because they cannot afford their rental payments. At Reading Almshouse Charity, in addition to providing affordable housing to the elderly we offer housing to people over the age of 18 years at Liberty House, our property in Earley.

People turn to almshouses when they are in need, but often their financial and other difficulties continue, and our residents benefit from dedicated and expert Housing Managers who work to deliver our very high standards of caring support. They are led by our Operations Manager and are there to give a helping hand, advice and to offer a signpost to sources of help. Where necessary we liaise with food banks on behalf of our residents to maintain their dignity and of course to help them to eat well. We support our residents through many of life's challenges, helping people to continue to live independently and make their own informed decisions about their lives and futures.

Gardens - the Benefits of Outdoor Spaces

Accommodation at Reading Almshouse offers more than support and community. We offer well-maintained safe homes. A large benefit for our residents is our gardens, our properties have beautiful well-kept gardens where residents can sit and relax together. We know that everyone benefits from time spent outdoors and work to ensure that our gardens are enjoyable, peaceful green spaces. We are very proud that our Castle Street property won the Reading in Bloom community gardens of the year award this year.



Fundraising

Reading Almshouse Charity has not engaged in fundraising in the past, but we have plans to do so from 2024 onwards. We are planning a capital campaign which will launch in 2024 to raise funds to support us with essential maintenance to our Grade 2 listed property at Castle Street. We need new windows at the front and back of all the properties at this location. The estimated costs for this project are in the region of £400,000-450,000 and this is such a significant sum that we would only be able to fund if we took several years to complete it. We would hope to raise funds to help us to complete this project over a two-year period.

A SENSE OF BELONGING

Here are some individual stories from our residents.

Living in Isolation – A's Story

After I lost my husband, I became very lonely. Days would go by, and I didn't speak to anyone. I applied to the Reading Almshouse Charity, and they were able to offer me a flat. I now feel part of a community and enjoy living in my almshouse flat, living here has helped me to combat the loneliness I felt before. When my daughters visit me, they always comment on how lovely it must be to live here.

Facing Eviction – T's story

After my landlord served me with a Section 21 notice to evict me through no fault of my own, I was worried that I would not be able to find anywhere to live that I could afford. I went to my local authority, and they put me in touch with Reading Almshouse Charity. The charity helped me and were able to offer me an almshouse flat. I am forever grateful to them. I feel safe and secure and finally I have found a home.



FINANCIAL REVIEW – YEAR ENDING 2023

INCOME

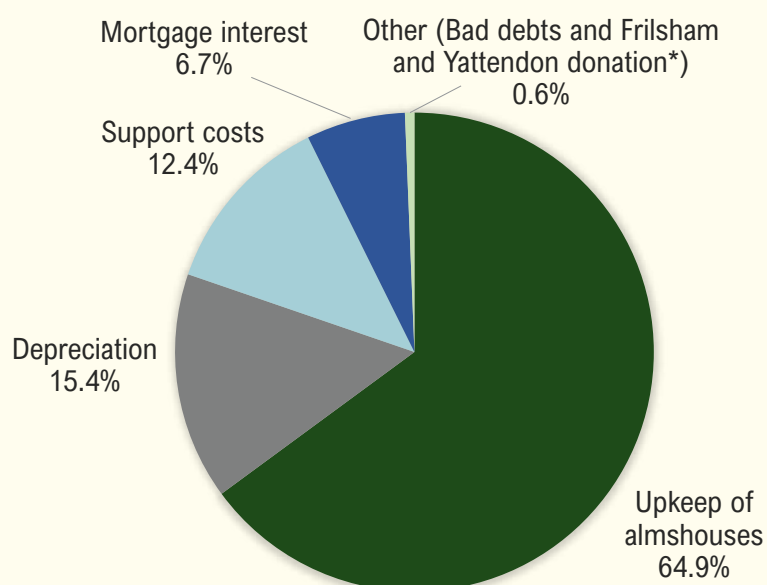
More than 95% of our £882,306 income arose from the provision of accommodation in accordance with the objects of the Charity. We received a small amount of interest income from cash on deposit, and our remaining income was received from the tenants of our investment property in West Street, Reading, which delivered just over £38,000 in rental income.

EXPENDITURE

The expenditure during the year was devoted almost entirely to maintaining the almshouses in good condition and enabling the orderly and professional running of the Charity in compliance with all relevant regulations and legislation.

Expenditure on Charitable Activities – YE 2023

Upkeep of almshouses	£569,963
Depreciation	£134,794
Bad debt expense	£3,588
Support costs	£108,995
Mortgage interest	£58,716
Frilsham & Yattendon donation*	£2,000
Total	£878,056



* Donation made under a requirement in the Reading Almshouse Charity's constitution.

Maintaining our Properties

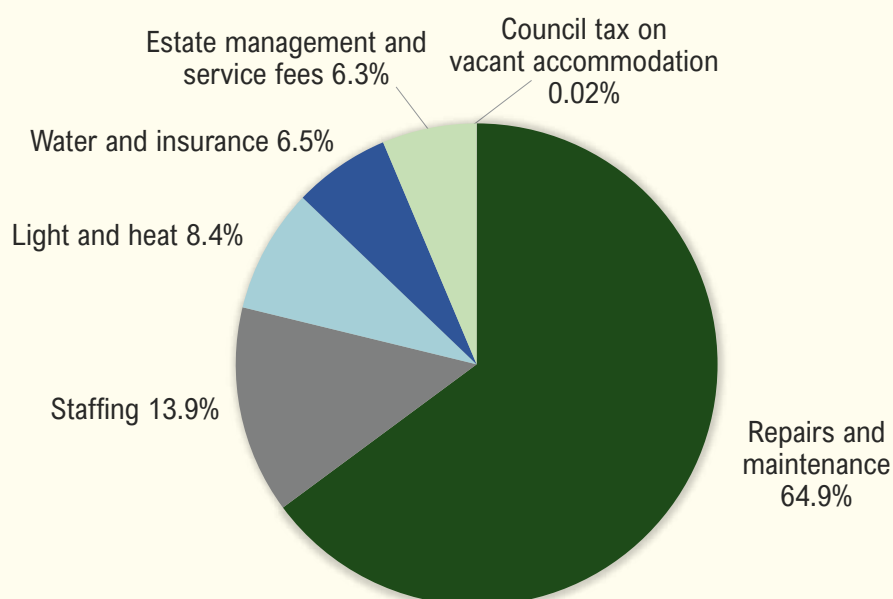
The Charity continues to focus on providing high quality accommodation through our planned and responsive maintenance programmes. We spent just under £370,000 on repairs and maintenance of our buildings.

This year we focused on our Liberty House property where a window replacement project cost just under £152,000 and electrical repairs cost £12,000.

We have also incurred costs for professional fees relating to future planned maintenance at our Castle Street property where we aim to commence a window refurbishment programme in 2024 and for work required to improve fire safety at our Penton House property. Mortgage interest costs have increased during the year.

Upkeep of Almshouses – Major Expenses YE 2023

Water and insurance	£37,021
Light and heat	£47,605
Repairs and maintenance	£369,715
Estate management and service fees	£36,080
Staffing	£79,448
Council tax on vacant accommodation	£94
Total	£569,963



FUTURE PLANS

We continue to review opportunities for improving facilities, reviewing, and maximising investment assets to sustain our housing and to improve the lives of our residents.

1. Land at Liberty House

In June 2022, the Charity obtained planning permission from Wokingham Borough Council to construct 18 additional flats on land adjoining Liberty House (of which six will be affordable to rent pursuant to a S106 Agreement). This consent has enhanced the value of the land but, in the current economic circumstances, no decision has been taken in relation to the proposed development. A decision will be made in 2024.

2. Windows at Castle Street

We plan to begin a project which will take several years to conclude to refurbish and replace the windows. This is a major overhaul of a Grade 2 listed property and will result in significant expenditure.

3. New Boilers and Fire Doors at Castle Street

We plan to replace all boilers at Castle Street with newer more energy efficient models, to replace the existing boilers which are now 20 years old.

We plan to begin refurbishment and replacement to fire doors at Castle Street across two phases, starting with residents' front doors.



INVESTMENT POLICY

Cash that is surplus to immediate requirements is held in interest bearing accounts or on time deposits. The Charity also holds property to generate rental income.

RESERVES POLICY

The Trustees consider that reserves are necessary to cover any major unexpected repairs to the Almshouse, together with providing on-going working capital.

Free Reserves

	2023 £	2022 £
Total charity funds per balance sheet:	7,697,030	7,692,780
Deduct:		
Almshouse properties, fixtures and fittings	(7,660,199)	(7,786,986)
Add back associated loans	901,392	977,143
Free reserves	938,223	882,937

The Trustees consider that the unrestricted funds are sufficient to finance on-going charitable expenditure given the rental income flows. The Trustees’ current policy is to retain a cash repairs reserve of £300,000 and further cash reserves, which together cover at least six months’ normal expenditure. This policy is reviewed by the Trustees on an annual basis.

Image by Freepik



STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is a Charitable Incorporated Organisation and is governed by a Constitution dated 8 July 2013 and was incorporated on that date.

The registered address and principal office at which the Charity can be contacted is:

The Office
Penton House
58 Longships Way
Reading, RG2 0GP

The Trustees who have served during the year are set out below:

Mr P R Clark (Chairman retired 16.11.23)

Mr J W Cornwell

Mr C A Hubbard

The Revd G V Lautenbach (resigned 26.08.23)

Mrs S Sharpe

Mrs J Spratley

Mrs J L Thomas (Chair)

Mr P J Webb

Ms C M Wise

Rev S Wratten Ex. Officio

Mr M Cooper (appointed 13.06.23)

Ms N Olembo (appointed 12.09.23)

The administration of the Charity is in the hands of the Trustees, with full Trustee meetings scheduled to take place four times per year. Our Operations Manager performs all the Clerk duties and briefs Trustees before and during meetings.

Sub-committees covering resident needs (including safeguarding), property plans and issues and staffing are scheduled to take place monthly or quarterly; these sub-committees make recommendations to the Trustees.

The Board of Trustees co-opts new trustees to replace those who retire. The constitution provides for the co-option of up to 12 trustees and up to three ex-officio trustees, with a minimum of five trustees. New trustees are identified from the local community by having particular skills such as expertise in property, law, finance and low-cost housing. We are grateful for the contribution made to the Charity by our expert Trustees.

The Charity employs a full time Operations Manager to oversee the smooth running of the Charity. Two part time Housing Managers and a part time Accountant report directly to our Operations Manager.

A subcommittee of the Trustee board reviews salaries in detail annually taking in to account the skill sets required, the responsibility involved, and hours needed.

Key risks and uncertainties

The Trustees have identified three key risks:

1. An event occurring in one of our almshouse properties which would result in almshouse residents needing to be re-housed.
2. Loss of key staff.
3. Adverse legislation impacting almshouses.

The Charity has prepared a comprehensive risk assessment which is regularly reviewed and updated. Insurance is in place to cover potential financial loss and there is a planned ongoing property maintenance programme.

Approved by the trustees on 30 January 2024

and signed on their behalf by



J Thomas (Chair)

READING ALMSHOUSE CHARITY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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 judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and 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. 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 irregularity.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF READING ALMSHOUSE CHARITY

Opinion

We have audited the financial statements of Reading Almshouse Charity for the year ended 30 September 2023 which comprise the Statement of Financial Activities, Balance Sheet, cash flow 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 30 September 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 trustees' 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 period of at least twelve months from when the financial statements are authorised for issue.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF READING ALMSHOUSE CHARITY (CONTINUED)

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees are 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 trustees 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 trustees are 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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF READING ALMSHOUSE CHARITY (CONTINUED)

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context for the UK operations were the Charities Act 2011, together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statements.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Charity for fraud. The laws and regulations we considered in this context for the Charity were Charity Commission regulations, fire regulations, and Health and Safety. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

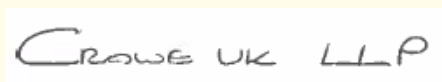
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, reviewing accounting estimates for biases and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF READING ALMSHOUSE CHARITY (CONTINUED)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in blue ink that reads "Crowe UK LLP".

Crowe U.K. LLP
Statutory Auditor
Aquis House
49-51 Blagrove Street
Reading
RG1 1PL

Date: 8 February 2024

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

READING ALMSHOUSE CHARITY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	Unrestricted	
		2023	2022
		£	£
INCOME AND ENDOWMENTS FROM:			
Charitable activities			
Residential income	3	838,819	759,195
Investments			
Interest		5,010	409
Rent of investment property	4	<u>38,477</u>	<u>38,477</u>
Total income		<u>882,306</u>	<u>798,081</u>
EXPENDITURE ON:			
Charitable activities	5a	<u>878,056</u>	<u>707,970</u>
Total expenditure		<u>878,056</u>	<u>707,970</u>
Net income for the year		4,250	90,111
Losses on revaluation		<u>-</u>	<u>(25,000)</u>
Net movement in funds for the year		4,250	65,111
 Funds brought forward		<u>7,692,780</u>	<u>7,627,669</u>
FUND BALANCES CARRIED FORWARD		<u>7,697,030</u>	<u>7,692,780</u>

All income and expenditure was unrestricted in the current and preceding year.

The notes on pages 20 to 28 form part of these accounts

READING ALMSHOUSE CHARITY
BALANCE SHEET
AS AT 30 SEPTEMBER 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible assets	8	7,660,199	7,786,986
Investments	8	<u>475,000</u>	<u>475,000</u>
		8,135,199	8,261,986
CURRENT ASSETS			
Debtors	9	48,574	36,489
Cash at bank and in hand		<u>490,044</u>	<u>474,071</u>
		538,618	510,560
CREDITORS: Amounts falling due within one year	10	<u>(149,642)</u>	<u>(191,332)</u>
NET CURRENT ASSETS		<u>388,976</u>	<u>319,228</u>
CREDITORS: Amounts falling due after one year	11	<u>(827,145)</u>	<u>(888,434)</u>
NET ASSETS		<u>7,697,030</u>	<u>7,692,780</u>
FUNDS			
Unrestricted funds		<u>7,697,030</u>	<u>7,692,780</u>
		<u>7,697,030</u>	<u>7,692,780</u>

Approved by the trustees on 30 January 2024
and signed on their behalf by



J Thomas, Chair

The notes on pages 20 to 28 form part of these accounts.

READING ALMSHOUSE CHARITY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash provided by operating activities (see below)	<u>153,437</u>	<u>288,895</u>
Cash flows from investing activities		
Purchase of fixed assets	(8,007)	(4,169)
Bank interest received	<u>5,010</u>	<u>409</u>
Net cash (used in)/provided by investing activities	<u>(2,997)</u>	<u>(3,760)</u>
Cash flows from financing activities		
Bank loan repayments	(75,751)	(481,679)
Bank interest paid	<u>(58,716)</u>	<u>(41,739)</u>
Net cash used in financing activities	<u>(134,467)</u>	<u>(523,418)</u>
Change in cash and cash equivalents in reporting period	15,973	(238,283)
Cash and cash equivalents at the beginning of the reporting period	<u>474,071</u>	<u>712,354</u>
Cash and cash equivalents at the end of the reporting period	<u><u>490,044</u></u>	<u><u>474,071</u></u>

Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income	4,250	65,111
Adjustments for		
Depreciation charges	134,794	133,768
Revaluation of investment property	-	25,000
Interest received	(5,010)	(409)
Interest payable	58,716	41,739
Decrease/(increase) in debtors	(12,085)	27
Increase/(decrease)/ in creditors	<u>(27,228)</u>	<u>23,659</u>
	<u><u>153,437</u></u>	<u><u>288,895</u></u>

Analysis and movement of Net Debt	2022 £	Cash flow £	2023 £
Cash in hand	224,071	50,973	275,044
Notice Deposits (less than 3 months)	<u>250,000</u>	<u>(35,000)</u>	<u>215,000</u>
Total cash and cash equivalents	474,071	15,973	490,044
Loans	<u>(977,143)</u>	<u>75,751</u>	<u>(901,392)</u>
Total	<u><u>(503,072)</u></u>	<u><u>91,724</u></u>	<u><u>(411,348)</u></u>

READING ALMSHOUSE CHARITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. CHARITY INFORMATION

The principal activity of the charity is the provision of almshouses in Reading. The charity is a Charitable Incorporated Organisation (charity number 1152759) and is incorporated and domiciled in the UK. The address of the registered office is The Office, Penton House, 58 Longships Way, Kennet Island, Reading, RG2 0GP.

2. STATEMENT OF ACCOUNTING POLICIES

a) Basis of Accounts Preparation

The accounts have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Reading Almshouse Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Going concern

The charity depends on bank loan facilities which funded the purchase of Liberty House. Current forecasts indicate that the charity expects to be able to operate within these facilities for the whole of the foreseeable future.

In their assessment of going concern the trustees have considered the current and developing impact on the charity as a result of macro-economic factors. This has not had a significant, immediate impact on the charity's operations because income and expenditure continue at previous levels resulting in an ongoing surplus, but the trustees are aware that if the current situation becomes prolonged then this may change. In addition, the charity has significant cash resources and an investment property which could be sold. Having regard to the above, the trustees believe it appropriate to adopt the going concern basis of accounting.

b) Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in note 2, trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimation and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects the current and future periods.

The key source of estimation uncertainty that has a significant effect on the amounts recognised in the financial statements is in respect of the investment property valuation. The charity's investment properties are stated at their estimated fair value as disclosed in Note 8.

READING ALMSHOUSE CHARITY
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

c) Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

d) Income

All incoming resources are included in the statement of financial activities when the charity is entitled to the income, receipt is probable, and the amount can be quantified with reasonable accuracy.

The following specific policies are applied to particular categories of income:

- Maintenance Contributions are recognised when receivable.
- Investment income is included when receivable except for rents which are adjusted for rent free periods.

e) Resources expended

Expenditure is recognised on an accrual basis as each liability is incurred.

Raising funds comprise the costs associated with managing and maintaining the investment properties.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Charitable expenditure is reported under two sub headings:

- Running and maintenance costs of the almshouses.
- Support costs

f) Leases

In respect of operating leases for which the charity is the lessor, the charity classifies the leasing of the investment properties as an operating lease. The rents received from investment properties are recognised in the financial statements for the period to which they relate.

g) Taxation

As a registered charity, the charity benefits from council tax relief and is generally exempt from income tax and capital gains tax, but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

READING ALMSHOUSE CHARITY
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

h) Depreciation

The Castle Street almshouses are the functional properties of the charities and are deemed to be inalienable assets. The cost is below the estimated realisable value and hence no depreciation is provided on the original cost.

In view of the age of the Castle Street property no expenditure in respect of updating and improvements is capitalised unless the cost of the individual items is in excess of £10,000. Following the initial fitting out of Penton House and Liberty House, fixtures and fittings will only be capitalised if the cost of individual items exceeds £1,000.

Depreciation of tangible fixed assets is provided at the following annual rates in order to write off each asset over its estimated useful life:

Penton House and Liberty House buildings:	50 years on a straight line basis
Fixtures and Fittings	5 years on a straight line basis

No depreciation is provided on properties held as investments.

i) Fixed Asset Investment Properties

Investment properties are included in the balance sheet at the trustees' estimation of market value. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

j) Fund Accounting

Unrestricted general funds are funds that are available for use at the discretion of the trustees in the furtherance of the general objectives of the charity.

k) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

l) Creditors and provisions

Creditors and provisions are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

m) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

n) Pensions

Pension contributions are made to the NEST scheme for those staff who wish it, in line with the Auto-enrolment provisions. Costs are charged to the Statement of Financial Activities as incurred.

READING ALMSHOUSE CHARITY
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

3. RESIDENTIAL INCOME

	2023	<i>2022</i>
	£	<i>£</i>
The residential income comprises:		
Maintenance	820,616	<i>743,231</i>
Heating Contribution	15,222	<i>15,344</i>
Guest Room	1,113	<i>620</i>
Other Income	<u>1,868</u>	<i><u>-</u></i>
	<u>838,819</u>	<i><u>759,195</u></i>

4. RENT RECEIVABLE

Rent is receivable from investment property held.

	2023	<i>2022</i>
	£	<i>£</i>
Rent receivable	<u>38,477</u>	<i><u>38,477</u></i>

READING ALMSHOUSE CHARITY
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

5a) CHARITABLE ACTIVITIES

	2023 £	2022 £
Upkeep of Almshouses (5b)	569,963	415,604
Frilsham & Yattendon Parochial Charities	2,000	2,000
Depreciation	134,794	133,768
Bad debt expense	3,588	-
Support costs (5c)	108,995	114,859
Mortgage interest	<u>58,716</u>	<u>41,739</u>
	<u>878,056</u>	<u>707,970</u>

The Frilsham & Yattendon Parochial Charities provides relief to persons in need in the parishes of Frilsham and Yattendon via the Churchwardens.

5b) Upkeep of Almshouses

	2023 £	2022 £
Water and Insurance	37,021	36,387
Light and Heat	47,605	29,562
Repairs and Maintenance	369,715	229,954
Estate management and service fees	36,080	64,584
Managers' Salaries and Expenses	79,448	51,413
Council tax on vacant accommodation	<u>94</u>	<u>3,704</u>
	<u>569,963</u>	<u>415,604</u>

5c) Support costs

	2023 £	2022 £
Operations Manager Salary and Expenses	27,134	33,689
Managers' office costs	16,764	16,669
Miscellaneous	4,029	9,656
Governance costs:		
Professional fees	46,502	43,595
Audit fee	<u>14,566</u>	<u>11,250</u>
	<u>108,995</u>	<u>114,859</u>

READING ALMSHOUSE CHARITY
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

6. STAFF COSTS

Staff costs during the year comprise:

	2023 £	2022 £
Salaries	98,698	78,454
National Insurance	3,550	3,030
Pension costs	<u>4,334</u>	<u>3,619</u>
	<u>106,582</u>	<u>85,103</u>
 Recruitment and training	 <u>14,337</u>	 <u>8,506</u>
	<u><u>120,919</u></u>	<u><u>93,609</u></u>

The weekly average number of staff was as follows:

	2023	2022
Housing Managers & Accountant	2	2
Operations Manager	<u>1</u>	<u>1</u>
	<u><u>3</u></u>	<u><u>3</u></u>

No employee earned in excess of £60,000 per annum.

No trustees received any remuneration. The trustees received reimbursement for residents' functions and retirement gifts paid for on behalf of the charity during the year of £1,573 (2022: 1: £374).

The remuneration of key management personnel (including employers NI and employers pension costs) is £48,605 (2022: £85,103).

£nil ex-gratia payments (2022: £2,486) were made during the year.

7. RELATED PARTIES

During the year £2,000 (2022: £2,000) was donated to Frilsham & Yattendon Parochial Charities, for which the Reverend Glynnis Lautenbach's husband is the Rector of the Hermitage Benefice, including Frilsham and Yattendon. This donation is made under the terms of the Reading Almshouse Charity's constitution.

READING ALMSHOUSE CHARITY
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

8. TANGIBLE FIXED ASSETS

	Almshouse & associated property used for charitable purposes £	Fixtures and fittings £	Other property held for investment purposes £	Total £
COST OR VALUATION:				
At 1 October 2022	8,848,489	82,502	475,000	9,405,991
Additions	<u>-</u>	<u>8,007</u>	<u>-</u>	<u>8,007</u>
At 30 September 2023	<u>8,848,489</u>	<u>90,509</u>	<u>475,000</u>	<u>9,413,998</u>
DEPRECIATION:				
At 1 October 2022	1,094,555	49,450	-	1,144,005
Charge for the year	<u>118,553</u>	<u>16,241</u>	<u>-</u>	<u>134,794</u>
At 30 September 2023	<u>1,213,108</u>	<u>65,691</u>	<u>-</u>	<u>1,278,799</u>
NET BOOK VALUES				
At 30 September 2023	<u>7,635,381</u>	<u>24,818</u>	<u>475,000</u>	<u>8,135,199</u>
At 30 September 2022	<u>7,753,934</u>	<u>33,052</u>	<u>475,000</u>	<u>8,261,986</u>

The Almshouse property includes the property in Castle Street, Reading, Penton House, Kennet Island Reading and Liberty House, Lower Earley, Reading. The market value of Castle Street Almshouses was obtained at 30 September 2022 by Simmons & Sons and was £4.22million (included at a net book value of £48,351 above).

The investment property is a property in West Street which was valued at £475,000 as at 30 September 2022 by Simmons & Sons.

The value of the freehold land included within the Penton House property cost is £1,597,925.

The value of the freehold land included with the Liberty House property cost is £1,025,000.

9. DEBTORS

	2023 £	2022 £
Debtors	13,649	5,887
Prepayments	<u>34,925</u>	<u>30,602</u>
	<u>48,574</u>	<u>36,489</u>

READING ALMSHOUSE CHARITY
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

10. CREDITORS: Amounts falling due within one year

	2023 £	2022 £
Bank loans and overdrafts (note 15)	74,247	88,709
Social Security and other taxes	1,576	1,317
Accrued expenses	49,869	74,782
Other creditors	<u>23,950</u>	<u>26,524</u>
	<u>149,642</u>	<u>191,332</u>

11. CREDITORS: Amounts falling due after one year

	2023 £	2022 £
Bank loans and overdrafts (note 15)	<u>827,145</u>	<u>888,434</u>

12. COMMITMENTS

At the balance sheet date there were £nil capital commitments (2022: £nil).

13. FINANCIAL INSTRUMENTS

	2023 £	2022 £
Financial assets measured at amortised cost	503,693	479,959
Financial assets measured at fair value	475,000	475,000
Financial liabilities measured at amortised cost	975,211	1,078,449

The company's income, expense, gains and losses in respect of financial instruments are summarised below:

Financial assets measured at fair value	38,477	38,477
Financial liabilities measured at amortised cost	58,716	41,739

Financial assets measured at amortised cost comprise trade debtors and cash equivalents.

Financial assets measured at fair value comprise investments.

Financial liabilities measured at amortised cost comprise other creditors, accruals and bank loans.

READING ALMSHOUSE CHARITY
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

14. LEASES

The charity earns rental income by leasing its investment properties to tenants under non-cancellable operating leases. Leases in which substantially all risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

At the balance sheet date, the charity had contracted with tenants to receive the following future minimum lease payments:

	2023 £	2022 £
Not later than one year	40,000	27,254
Later than one year and not later than five years	148,164	-
Later than five years	-	-
	<u>188,164</u>	<u>27,254</u>

There are no contingent rents recognised as income.

15. BANK LOANS

An analysis of the maturity of loans and overdrafts is as follows:

	2023 £	2022 £
Amounts falling due within 1 year	74,247	88,709
Amounts falling due between 2-5 years	296,990	354,837
Amounts falling due after 5 years	530,155	533,597
	<u>901,392</u>	<u>977,143</u>

A bank loan of £1,000,000 was advanced in February 2019. The loan is repayable over 10 years with an interest only period for the first 2 years. Interest is charged at 2% above the bank's base rate.

A bank loan of £500,000 was advanced in February 2019. The loan is repayable over 10 years with an interest only period for the first 2 years. Interest is charged at 2.35% above the bank's base rate.

The loans are secured by a charge over the Castle Street Almshouses.



READING ALMSHOUSE CHARITY
(A CHARITABLE INCORPORATED ORGANISATION)
CHARITY REGISTRATION 1152759
REGISTERED ADDRESS: THE OFFICE, PENTON HOUSE, 58 LONGSHIPS WAY, READING, RG2 0GP

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

Accounts

CHARITY NO: 1152759

**READING ALMSHOUSE CHARITY
(A CHARITABLE INCORPORATED ORGANISATION)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**READING ALMSHOUSE CHARITY
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FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**READING ALMSHOUSE CHARITY
TRUSTEES, OFFICERS AND ADVISORS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

REGISTERED OFFICE	The Office Penton House 58 Longships Way Kennet Island Reading RG2 0GP
TRUSTEES	Mr P R Clark (Chairman) Mrs M F Bedwell (retired 19 March 2022) Mr J W Cornwell Mr M Havers (appointed 25 January 2022, resigned 31 Oct 2022) Mr C A Hubbard The Revd G V Lautenbach (ex-officio) Mr R N Pittman (retired 31 March 2022) Mrs S Sharpe (appointed 25 January 2022) Mrs J Spratley Mrs J L Thomas Mr P J Webb Ms C M Wise Rev S Wratten (ex-officio, appointed 14 June 2022)
CLERK TO THE TRUSTEES	Mrs K M Bessant
CHARITY REGISTRATION NUMBER	1152759
AUDITORS	Crowe U.K. LLP Aquis House 49-51 Blagrove Street Reading Berkshire RG1 1PL
BANKERS	Handelsbanken Apex Plaza Forbury Road Reading RG1 1AX
SOLICITORS	Boyes Turner Abbots House Abbey Street Reading RG1 3BD

**READING ALMSHOUSE CHARITY
TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

The Trustees present their Annual Report for the year ended 30 September 2022 under the Charities Act 2011, together with the financial statements for the year. The Board confirms that the latter comply with the requirements of the charity's governing documents, applicable law and the Charities SORP (FRS102).

OBJECTIVES AND ACTIVITIES

The charity's main object is the provision of housing accommodation for persons in need within a twenty-mile radius of St Mary's Church, The Butts, Reading.

Flats are provided in almshouses in: Castle Street, Reading; Penton House, Kennet Island, Reading; and Liberty House, Strand Way, Lower Earley, Reading.

The charity maintains these properties in good condition.

The Charity also has an investment property in West Street, Reading.

ACHIEVEMENTS AND PERFORMANCE

Despite the challenges arising from the COVID19 virus, we have maintained good occupancy levels across the whole portfolio and have followed guidance procedures to maintain a Covid safe environment. I would like to thank our Clerk, the Trustees and site managers for their diligence in dealing with this, and our residents for taking care.

We have maintained a positive cashflow and have met all banking requirements on our loans. Income has been maintained and there have been very few arrears' issues.

In June 2022, the Charity obtained planning permission from Wokingham Borough Council to construct 18 additional flats on Land adjoining Liberty House (of which 6 will be affordable to rent pursuant to a S106 Agreement). This consent has enhanced the value of the land but, in the current economic circumstances, no decision has been taken in relation to the proposed development. However, the Trustees wish to, at least, preserve the consent and aim to make a decision by March 2024.

The Charity continues to focus on planned maintenance, management systems and succession planning. Our Clerk, Kate Bessant, has once again made a major contribution and also demonstrated great professionalism and diligence. I would like to take this opportunity to thank her. During the year the Charity has recruited a full time senior housing manager and a part-time housing manager; and intends to appoint a part-time finance assistant in the forthcoming year.

Kate Bessant and our site managers have dealt with day- to- day management issues, keeping matters under control and the Trustees informed with regular updates.

We continue to review new Trustee appointments to replace retiring Trustees and have concentrated on recruiting Trustees with particular skill- sets that are relevant in taking the Charity forward. I would like to take this opportunity to thank once again all Trustees past and present for their invaluable assistance.

PUBLIC BENEFIT

In considering their objectives for the year, the Trustees have had regard to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011. The provision of almshouse accommodation for those in need provides an identifiable public benefit which is directly in line with the charity's aims. Beneficiaries of almshouses must be in need and will be drawn from that section of the public which has been identified in the scheme.

**READING ALMSHOUSE CHARITY
TRUSTEES ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

FUTURE PLANS

The Trustees are looking at longer term planning and investment strategies. We continue to review opportunities for improving facilities, reviewing and maximising investment assets.

We intend to continue to provide affordable housing to the charity's beneficiaries.

COVID-19

There has been no significant financial impact on the charity as a result of the COVID-19 virus and income levels have been sustained. Processing prospective residents' applications and getting residents moved into their flats has been subject to some delays; but working methods have been adapted to minimise the impact.

Managers have worked between their homes and the charity's offices as required and regular risk assessments have been performed. Cash flow has been closely monitored and it has not been necessary to use the charity's reserves.

FINANCIAL REVIEW

During the year more than 95% of the incoming resources arose from the provision of accommodation in accordance with the objects of the Charity. The remaining income was from the investment portfolio, both cash deposits and property. The expenditure during the year supported the running of the almshouses and maintaining them in good condition together with the orderly running of the Charity.

The proceeds of the sale of the land at Burghfield have been used to reduce outstanding loans.

Reserves Policy

The trustees consider that reserves are necessary to cover any major unexpected repairs to the Almshouses, together with providing on-going working capital.

	2022	2021
	£	£
Total charity funds per balance sheet:	7,692,780	7,627,669
Deduct:		
Almshouse properties, fixtures and fittings	(7,786,986)	(7,916,585)
Add back associated loans	977,143	1,458,822
Free reserves	882,937	1,169,906

The trustees consider that the unrestricted funds are sufficient to finance on-going charitable expenditure given the rental income flows. The trustees' current policy is to retain a cash repairs reserve of £250,000 and further cash reserves, which together cover at least six months' normal expenditure. This policy is reviewed by the trustees on an annual basis.

Investment Policy

Cash that is surplus to immediate requirements is held in interest bearing accounts or on time deposits. The charity also holds property to generate rental income.

**READING ALMSHOUSE CHARITY
TRUSTEES ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is a Charitable Incorporated Organisation and is governed by a Constitution dated 8 July 2013 and was incorporated on that date.

The registered address and principal office at which the charity can be contacted is:

The Office
Penton House
58 Longships Way
Kennet Island, Reading, RG2 0GP

The trustees who have served during the year are set out below:

Mr P R Clark	(Chairman)
Mrs M F Bedwell	(retired 19 March 2022)
Mr J W Cornwell	
Mr M Havers	(appointed 25 January 2022, resigned 31 October 2022)
Mr C A Hubbard	
The Revd G V Lautenbach	(ex-officio)
Mr R N Pittman	(retired 31 March 2022)
Mrs S Sharpe	(appointed 25 January 2022)
Mrs J Spratley	
Mrs J L Thomas	
Mr P J Webb	
Ms C M Wise	
Rev S Wratten	(ex-officio, appointed 14 June 2022)

The Board of Trustees co-opts new trustees to replace those who retire. The constitution provides for the co-option of up to 12 trustees and up to 3 ex-officio trustees, with a minimum of 5 trustees. New trustees are identified from the local community by having particular skills such as expertise in property, law, finance and low-cost housing.

Existing trustees of the Charity are already familiar with its governing structure, financial affairs and activities. At meetings, trustees are briefed by the Clerk on any current or long-standing issues with which they may not be familiar.

On or before appointment, all new trustees are sent a copy of the charity's constitution, a copy of the latest trustees Annual Report, copies of the minutes of recent trustee meetings and a copy of the Charity Commission's guidance "The essential trustee: what you need to know". They are also advised to consult regularly the Charity Commission website. Trustees are invited to attend seminars run by the Almshouse Association and are able to create a personal login to the members' area of the Almshouse Association website.

The administration of the Charity is in the hands of the trustees who meet up to six times a year. Sub-committees covering property and other subjects are set up as required; these sub-committees make recommendations to the trustees.

**READING ALMSHOUSE CHARITY
TRUSTEES ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The Clerk, Kate Bessant, is appointed by the trustees and, together with the Managers, Annabel Nicol and Anesta Joseph, manage the day-to-day operations of the Charity. Our Managers meet regularly with the residents to assist with any issues. These are the only employees of the charity.

The pay of our three employees is reviewed annually in May, and salary levels are determined by the trustees taking into account the skill sets required, the responsibility involved and hours needed. Bonuses are sometimes awarded to recognise extra work carried out on one off assignments.

Key risks and uncertainties

The major risk is an event occurring in our almshouse properties which would result in almshouse residents needing to be re-housed. Other risks include loss of key staff and trustees, financial loss and adverse legislation. The Charity has prepared a comprehensive risk assessment which is regularly reviewed and updated. Insurance is in place to cover potential financial loss and there is a planned ongoing property maintenance programme.

Fundraising

Reading Almshouse Charity does not engage in any fundraising, as it receives its funding from its charitable activities and investments. Reading Almshouse Charity therefore has had no need to employ a professional fund-raiser nor engage the services of any third-party organisations to help raise funds. In line with this, Reading Almshouse Charity has not considered it necessary or appropriate to sign up to any regulatory code of fundraising practise. Reading Almshouse Charity has not received any complaints regarding fundraising during the year. Reading Almshouse Charity has a strong ethos of respect for its service-users' independence and dignity and would not countenance any conduct or activities that undermined this.

Approved by the trustees on
and signed on their behalf by

31/1/2023



P R Clark (Chairman)

READING ALMSHOUSE CHARITY

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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 judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and 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. 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 irregularity

REPORT OF THE INDEPENDENT AUDITORS' TO THE TRUSTEES OF READING ALMSHOUSE CHARITY

Opinion

We have audited the financial statements of Reading Almshouse Charity for the year ended 30 September 2022 which comprise the Statement of Financial Activities, Balance Sheet, cash flow 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 30 September 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 trustees' 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 period of at least twelve months from when the financial statements are authorised for issue.

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

REPORT OF THE INDEPENDENT AUDITORS' TO THE TRUSTEES OF READING ALMSHOUSE CHARITY (CONTINUED)

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are 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 trustees 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 trustees are 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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS' TO THE TRUSTEES OF READING ALMSHOUSE CHARITY (CONTINUED)

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context for the UK operations were the Charities Act 2011, together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statements.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Charity for fraud. The laws and regulations we considered in this context for the Charity were Charity Commission regulations, fire regulations, and Health and Safety. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, reviewing accounting estimates for biases and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

REPORT OF THE INDEPENDENT AUDITORS' TO THE TRUSTEES OF READING ALMSHOUSE CHARITY (CONTINUED)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Crowe U.K. LLP
Statutory Auditor
Aquis House
49-51 Blagrove Street
Reading
RG1 1PL

Date: 2 February 2023

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

READING ALMSHOUSE CHARITY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	Unrestricted 2022 £	2021 £
INCOME AND ENDOWMENTS FROM:			
Charitable Activities			
Residential Income	3	759,195	721,324
Investments			
Interest		409	59
Rent of investment property	4	<u>38,477</u>	<u>38,477</u>
Total income		<u>798,081</u>	<u>759,860</u>
EXPENDITURE ON:			
Charitable Activities	5a	707,970	660,726
Raising funds			
Costs re investment properties	4	<u>-</u>	<u>70</u>
Total expenditure		<u>707,970</u>	<u>660,796</u>
Net Income for the year		90,111	99,064
Losses on revaluation		<u>(25,000)</u>	<u>-</u>
Net movement in funds for the year		65,111	99,064
Funds Brought forward		<u>7,627,669</u>	<u>7,528,605</u>
FUND BALANCES CARRIED FORWARD		<u>7,692,780</u>	<u>7,627,669</u>

All income and expenditure was unrestricted in the current and preceding year.

The notes on pages 14 to 22 form part of these accounts

**READING ALMSHOUSE CHARITY
BALANCE SHEET
AS AT 30 SEPTEMBER 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	8	7,786,986	7,916,585
Investments	8	<u>475,000</u>	<u>500,000</u>
		8,261,986	8,416,585
CURRENT ASSETS			
Debtors	9	36,489	36,516
Cash at bank and in hand		<u>474,071</u>	<u>712,354</u>
		510,560	748,870
CREDITORS: Amounts falling due within one year	10	<u>(191,332)</u>	<u>(167,673)</u>
NET CURRENT ASSETS		<u>319,228</u>	<u>581,197</u>
CREDITORS: Amounts falling due after one year	11	<u>(888,434)</u>	<u>(1,370,113)</u>
NET ASSETS		<u>7,692,780</u>	<u>7,627,669</u>
FUNDS			
Unrestricted funds		<u>7,692,780</u>	<u>7,627,669</u>
		<u>7,692,780</u>	<u>7,627,669</u>

Approved by the trustees on
and signed on their behalf by

31/1/2023

PR Clark

P R Clark (Chairman)

The notes on pages 14 to 22 form part of these accounts.

READING ALMSHOUSE CHARITY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash provided by operating activities (see below)	<u>288,895</u>	<u>259,459</u>
Cash flows from investing activities		
Purchase of fixed assets	(4,169)	(6,216)
Proceeds from sale of investments	-	-
Bank interest received	<u>409</u>	<u>59</u>
Net cash (used in)/provided by investing activities	<u>(3,760)</u>	<u>(6,157)</u>
Cash flows from financing activities		
Bank loan repayments	(481,679)	(41,178)
Bank interest paid	<u>(41,739)</u>	<u>(41,822)</u>
Net cash used in financing activities	<u>(523,418)</u>	<u>(83,000)</u>
Change in cash and cash equivalents in reporting period	(238,283)	170,302
Cash and cash equivalents at the beginning of the reporting period	<u>712,354</u>	<u>542,052</u>
Cash and cash equivalents at the end of the reporting period	<u><u>474,071</u></u>	<u><u>712,354</u></u>

Reconciliation of net income to net cash flow from operating activities

	2022 £	2021 £
Net income	65,111	99,064
Adjustments for		
Depreciation charges	133,768	132,934
Revaluation of investment property	25,000	-
Interest received	(409)	(59)
Interest payable	41,739	41,822
(Profit)/loss on the sale of Investments	-	-
Decrease/(increase) in debtors	27	(3,163)
Increase/(decrease) in creditors	<u>23,659</u>	<u>(11,139)</u>
	<u><u>288,895</u></u>	<u><u>259,459</u></u>

Analysis and movement of Net Debt	2021 £	Cash flow £	2022 £
Cash in hand	512,354	(288,283)	224,071
Notice Deposits (less than 3 months)	<u>200,000</u>	<u>50,000</u>	<u>250,000</u>
Total cash and cash equivalents	712,354	(238,283)	474,071
Loans	<u>(1,458,822)</u>	<u>481,679</u>	<u>(977,143)</u>
Total	<u><u>(746,468)</u></u>	<u><u>243,396</u></u>	<u><u>(503,072)</u></u>

**READING ALMSHOUSE CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

1. CHARITY INFORMATION

The principal activity of the charity is the provision of almshouses in Reading. The charity is a Charitable Incorporated Organisation (charity number 1152759) and is incorporated and domiciled in the UK. The address of the registered office is The Office, Penton House, 58 Longships Way, Kennet Island, Reading, RG2 0GP.

2. STATEMENT OF ACCOUNTING POLICIES

a) Basis of Accounts Preparation

The accounts have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Reading Almshouse Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Going concern

The charity depends on bank loan facilities which funded the purchase of Liberty House. Current forecasts indicate that the charity expects to be able to operate within these facilities for the whole of the foreseeable future.

In their assessment of going concern the trustees have considered the current and developing impact on the charity as a result of the COVID-19 virus. This has not had a significant, immediate impact on the charity's operations because income and expenditure continue at previous levels resulting in an ongoing surplus, but the trustees are aware that if the current situation becomes prolonged then this may change. In addition, the charity has significant cash resources and an investment property which could be sold. Having regard to the above, the trustees believe it appropriate to adopt the going concern basis of accounting

b) Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in note 2, trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimation and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects the current and future periods.

The key source of estimation uncertainty that has a significant effect on the amounts recognised in the financial statements is in respect of the investment property valuation. The charity's investment properties are stated at their estimated fair value as disclosed in Note 8.

READING ALMSHOUSE CHARITY
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

c) Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

d) Income

All incoming resources are included in the statement of financial activities when the charity is entitled to the income, receipt is probable, and the amount can be quantified with reasonable accuracy.

The following specific policies are applied to particular categories of income:

- Maintenance Contributions are recognised when receivable.
- Investment income is included when receivable except for rents which are adjusted for rent free periods.

e) Resources expended

Expenditure is recognised on an accrual basis as each liability is incurred.

Raising funds comprise the costs associated with managing and maintaining the investment properties.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Charitable expenditure is reported under two sub headings:

- Running and maintenance costs of the almshouses.
- Support costs

f) Leases

In respect of operating leases for which the charity is the lessor, the charity classifies the leasing of the investment properties as an operating lease. The rents received from investment properties are recognised in the financial statements for the period to which they relate.

g) Taxation

As a registered charity, the charity benefits from council tax relief and is generally exempt from income tax and capital gains tax, but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

READING ALMSHOUSE CHARITY
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

h) Depreciation

The Castle Street almshouses are the functional properties of the charities and are deemed to be inalienable assets. The cost is below the estimated realisable value and hence no depreciation is provided on the original cost.

In view of the age of the Castle Street property no expenditure in respect of updating and improvements is capitalised unless the cost of the individual items is in excess of £10,000. Following the initial fitting out of Penton House and Liberty House, fixtures and fittings will only be capitalised if the cost of individual items exceeds £1,000.

Depreciation of tangible fixed assets is provided at the following annual rates in order to write off each asset over its estimated useful life:

Penton House and Liberty House buildings:	50 years on a straight line basis
Fixtures and Fittings	5 years on a straight line basis

No depreciation is provided on properties held as investments.

i) Fixed Asset Investment Properties

Investment properties are included in the balance sheet at the trustees' estimation of market value. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

j) Fund Accounting

Unrestricted general funds are funds that are available for use at the discretion of the trustees in the furtherance of the general objectives of the charity.

k) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

l) Creditors and provisions

Creditors and provisions are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

m) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

n) Pensions

Pension contributions are made to the NEST scheme for those staff who wish it, in line with the Auto-enrolment provisions. Costs are charged to the Statement of Financial Activities as incurred.

READING ALMSHOUSE CHARITY
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

3. RESIDENTIAL INCOME

	2022	2021
	£	£
The residential income comprises:		
Maintenance	743,231	706,407
Heating Contribution	15,344	14,777
Guest room	620	140
	<u>759,195</u>	<u>721,324</u>

4. RENT RECEIVABLE

Rent is receivable from investment property held.

	2022	2021
	£	£
Rent receivable	<u>38,477</u>	<u>38,477</u>

The related costs associated with generating these funds are as follows:

	2022	2021
	£	£
Maintenance costs	-	-
Professional Fees	-	70
Other costs	-	-
	<u>-</u>	<u>70</u>

READING ALMSHOUSE CHARITY
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

5a) CHARITABLE ACTIVITIES

	2022 £	2021 £
Upkeep of Almshouses (5b)	415,604	385,285
Frilsham & Yattendon Parochial Charities	2,000	2,000
Depreciation	133,768	132,934
Provision for unpaid maintenance contributions	-	5,447
Support costs (5c)	114,859	93,238
Mortgage interest	<u>41,739</u>	<u>41,822</u>
	<u>707,970</u>	<u>660,726</u>

The Frilsham & Yattendon Parochial Charities provides relief to persons in need in the parishes of Frilsham and Yattendon via the Churchwardens.

5b) Upkeep of Almshouses

	2022 £	2021 £
Water and Insurance	36,387	42,606
Light and Heat	29,562	39,072
Repairs and Maintenance	229,954	224,840
Estate management and service fees	64,584	34,122
Managers' Salaries and Expenses	51,413	42,573
Council tax on vacant accommodation	<u>3,704</u>	<u>2,072</u>
	<u>415,604</u>	<u>385,285</u>

5c) Support costs

	2022 £	2021 £
Clerks Salary and Expenses	33,689	39,208
Managers' office costs	16,669	7,621
Miscellaneous	9,656	5,245
Governance costs:		
Professional fees	43,595	31,384
Audit fee	<u>11,250</u>	<u>9,780</u>
	<u>114,859</u>	<u>93,238</u>

READING ALMSHOUSE CHARITY
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

6. STAFF COSTS

Staff costs during the year comprise:

	2022 £	2021 £
Salaries	78,454	74,607
National Insurance	3,030	3,461
Pension costs	<u>3,619</u>	<u>3,714</u>
	85,103	81,782
 Recruitment and training	 <u>8,506</u>	 <u>4,796</u>
	<u><u>93,609</u></u>	<u><u>86,578</u></u>

The weekly average number of staff was as follows:

	2022	2021
Managers	2	2
Clerk	<u>1</u>	<u>1</u>
	<u><u>3</u></u>	<u><u>3</u></u>

No employee earned in excess of £60,000 per annum.

No trustees received any remuneration. 2 trustees received reimbursement for residents' functions and retirement gifts paid for on behalf of the charity during the year of £374 (2021: 1: £324).

The remuneration of key management personnel (including employers NI and employers pension costs) is £85,103 (2021: £81,782).

£2,486 ex-gratia payments (2021: £Nil) were made during the year.

7. RELATED PARTIES

During the year £2,000 (2021: £2,000) was donated to Frilsham & Yattendon Parochial Charities, for which the Reverend Glynnis Lautenbach's husband is the Rector of the Hermitage Benefice, including Frilsham and Yattendon. This donation is made under the terms of the Reading Almshouse Charity's constitution.

READING ALMSHOUSE CHARITY
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

8. TANGIBLE FIXED ASSETS

	Almshouse & associated property used for charitable purposes £	Fixtures and fittings £	Other property held for investment purposes £	Total £
COST OR VALUATION:				
At 1 October 2021	8,848,489	78,333	500,000	9,426,822
Additions	-	4,169	-	4,169
Disposals	-	-	-	-
Revaluations	-	-	(25,000)	(25,000)
At 30 September 2022	<u>8,848,489</u>	<u>82,502</u>	<u>475,000</u>	<u>9,405,991</u>
DEPRECIATION:				
At 1 October 2021	976,002	34,235	-	1,010,237
Charge for the year	<u>118,553</u>	<u>15,215</u>	-	<u>133,768</u>
At 30 September 2022	<u>1,094,555</u>	<u>49,450</u>	-	<u>1,144,005</u>
NET BOOK VALUES				
At 30 September 2022	<u>7,753,934</u>	<u>33,052</u>	<u>475,000</u>	<u>8,261,986</u>
At 30 September 2021	<u>7,872,487</u>	<u>44,098</u>	<u>500,000</u>	<u>8,416,585</u>

The Almshouse property includes the property in Castle Street, Reading, Penton House, Kennet Island Reading and Liberty House, Lower Earley, Reading together with the fixtures and fittings at Penton House. The market value of Castle Street Almshouses was obtained at 30 September 2022 by Simmons & Sons and was £4.22million (included at a net book value of £48,351 above).

Additions comprise the refurbishment of Castle Street, Reading.

The investment property is a property in West Street which was valued at £475,000 as at 30 September 2022 by Simmons & Sons.

The value of the freehold land included within the Penton House property cost is £1,597,925.

The value of the freehold land included with the Liberty House property cost is £1,025,000.

9. DEBTORS

	2022 £	2021 £
Debtors	5,887	3,440
Prepayments	<u>30,602</u>	<u>33,076</u>
	<u>36,489</u>	<u>36,516</u>

READING ALMSHOUSE CHARITY
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

10. CREDITORS: Amounts falling due within one year

	2022 £	2021 £
Bank loans and overdrafts (note 15)	88,709	88,709
Social Security and other taxes	1,317	1,455
Accrued expenses	74,782	52,777
Other creditors	<u>26,524</u>	<u>24,732</u>
	<u>191,332</u>	<u>167,673</u>

11. CREDITORS: Amounts falling due after one year

	2022 £	2021 £
Bank loans and overdrafts (note 15)	<u>888,434</u>	<u>1,370,113</u>

12. COMMITMENTS

At the balance sheet date there were £nil capital commitments (2021: £nil).

13. FINANCIAL INSTRUMENTS

	2022 £	2021 £
Financial assets measured at amortised cost	479,959	715,794
Financial assets measured at fair value	475,000	500,000
Financial liabilities measured at amortised cost	1,078,449	1,536,331

The company's income, expense, gains and losses in respect of financial instruments are summarised below:

Financial assets measured at fair value	38,477	38,536
Financial liabilities measured at amortised cost	41,739	41,822

Financial assets measured at amortised cost comprise trade debtors, accrued income and cash equivalents.

Financial assets measured at fair value comprise investments.

Financial liabilities measured at amortised cost comprise other creditors, accruals and bank loans.

READING ALMSHOUSE CHARITY
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

14. LEASES

The charity earns rental income by leasing its investment properties to tenants under non-cancellable operating leases. Leases in which substantially all risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

At the balance sheet date, the charity had contracted with tenants to receive the following future minimum lease payments:

	2022 £	2021 £
Not later than one year	27,254	38,477
Later than one year and not later than five years	-	27,254
Later than five years	-	-
	<u>27,254</u>	<u>65,731</u>

There are no contingent rents recognised as income.

15. BANK LOANS

An analysis of the maturity of loans and overdrafts is as follows:

	2022 £	2021 £
Amounts falling due within 1 year	88,709	88,709
Amounts falling due between 2-5 years	354,837	354,837
Amounts falling due after 5 years	<u>533,597</u>	<u>1,015,276</u>
	<u>£ 977,143</u>	<u>£ 1,458,822</u>

A bank loan of £1,000,000 was advanced in February 2019. The loan is repayable over 10 years with an interest only period for the first 2 years. Interest is charged at 2% above the bank's base rate.

A bank loan of £500,000 was advanced in February 2019. The loan is repayable over 10 years with an interest only period for the first 2 years. Interest is charged at 2.35% above the bank's base rate.

The loans are secured by a charge over the Castle Street Almshouses.

Accounts

CHARITY NO: 1152759

**READING ALMSHOUSE CHARITY
(A CHARITABLE INCORPORATED ORGANISATION)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

**READING ALMSHOUSE CHARITY
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FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**READING ALMSHOUSE CHARITY
TRUSTEES, OFFICERS AND ADVISORS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

REGISTERED OFFICE

The Office
Penton House
58 Longships Way
Kennet Island
Reading
RG2 0GP

TRUSTEES

Mr P J Webb (Chairman until 1 September 2021)
Mr P R Clark (Chairman from 1 September 2021)
Mrs M F Bedwell
Mr J W Cornwell
Mr C A Hubbard
The Revd G V Lautenbach (ex-officio)
Mr R N Pittman
Mrs J Spratley
Mrs J L Thomas
Ms C Wise (appointed 20 October 2020)

CLERK TO THE TRUSTEES

Mrs K M Bessant

CHARITY REGISTRATION NUMBER 1152759

AUDITORS

Crowe U.K. LLP
Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

BANKERS

Handelsbanken
Apex Plaza
Forbury Road
Reading
RG1 1AX

SOLICITORS

Boyes Turner
Abbots House
Abbey Street
Reading
RG1 3BD

**READING ALMSHOUSE CHARITY
TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

The Trustees present their Annual Report for the year ended 30 September 2021 under the Charities Act 2011, together with the financial statements for the year. The Board confirms that the latter comply with the requirements of the charity's governing documents, applicable law and the Charities SORP (FRS102).

OBJECTIVES AND ACTIVITIES

The charity's main objective is the provision of housing accommodation for persons in need within a twenty-mile radius of St Mary's Church, The Butts, Reading.

Flats are provided in almshouses in: Castle Street, Reading; Penton House, Kennet Island, Reading; and Liberty House, Strand Way, Lower Earley, Reading.

The charity maintains these properties in good condition.

The Charity also has an investment property in West Street, Reading.

ACHIEVEMENTS AND PERFORMANCE

Despite the challenges arising from the COVID19 virus, we have maintained good occupancy levels across the whole portfolio and have followed guidance procedures to maintain a Covid safe environment. I would like to thank our Clerk, Trustees and site managers for their diligence in dealing with this.

We have maintained a positive cashflow and have met all banking requirements on our loans. Income has been maintained and there have been very few arrears issues.

The Charity having expanded its activities and assets significantly in recent years, we are now focusing on planned maintenance, management systems and succession planning. Our Clerk, Kate Bessant, has once again made a major contribution and also demonstrated great professionalism and diligence. I would like to take this opportunity to thank her, in particular, for assuming the duties of our Senior Housing Manager, Sheila Barnes, who died in July this year after being with the Charity for 10 years, pending replacement.

Kate Bessant and our site managers have dealt with day- to- day management issues, keeping matters under control and Trustees informed with regular updates.

We continue to review new Trustee appointments to replace retiring Trustees and have concentrated on recruiting Trustees with particular skill- sets that are relevant in taking the Charity forward. I would like to take this opportunity to thank once again all Trustees past and present for their invaluable assistance.

**READING ALMSHOUSE CHARITY
TRUSTEES ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

PUBLIC BENEFIT

In considering their objectives for the year the trustees have had regard to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011. The provision of almshouse accommodation for those in need provides an identifiable public benefit which is directly in line with the charity's aims. Beneficiaries of almshouses must be in need and will be drawn from that section of the public which has been identified in the scheme.

FUTURE PLANS

The Trustees are looking at longer term planning and investment strategies. We continue to review opportunities for improving facilities, reviewing and maximising investment assets.

We will seek permission to develop the land immediately adjacent to Liberty House with another 18 flats.

We intend to continue to provide affordable housing to the charity's beneficiaries.

COVID-19

There has been no significant financial impact on the charity as a result of the COVID-19 virus and income levels have been sustained. Processing prospective residents' applications and getting residents moved into their flats has been subject to some delays, but working methods have been adapted to minimise the impact.

No staff have been furloughed and the Clerk and managers have worked between their homes and the charity's offices as required. Regular risk assessments have been performed. Cash flow has been closely monitored and it has not been necessary to use the charity's reserves.

FINANCIAL REVIEW

During the year more than 93% of the incoming resources arose from the provision of accommodation in accordance with the objects of the Charity. The remaining income was from the investment portfolio, both cash deposits and property. The expenditure during the year supported the running of the almshouses and maintaining them in good condition together with the orderly running of the Charity.

**READING ALMSHOUSE CHARITY
TRUSTEES ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

RESERVES POLICY

The trustees consider that reserves are necessary to cover any major unexpected repairs to the almshouses, together with providing on-going working capital.

	2021 £	2020 £
Total charity funds per balance sheet:	7,627,669	7,528,605
Deduct:		
Almshouse properties, fixtures and fittings	(7,916,585)	(8,043,303)
Add back associated loans	<u>1,458,822</u>	<u>1,500,000</u>
Free reserves	<u><u>1,169,906</u></u>	<u><u>985,302</u></u>

The trustees consider that the unrestricted funds are sufficient to finance on-going charitable expenditure given the rental income flows. The trustees' current policy is to retain a cash reserve of at least one year's normal expenditure amounting to £250,000. This policy is reviewed by the trustees on an annual basis. The charity currently has £712,354 in the bank at the year end.

The reserves arising from the proceeds of sale of the land at Burghfield are at present partly being used to fund exceptional repair costs at Penton House most of which will be subject to a claim against the builders. The remainder will be used in due course to repay part of the mortgage liability.

Future reserves will be used to construct additional almshouse properties on land already owned by the charity.

INVESTMENT POLICY

Cash that is surplus to immediate requirements is held in interest bearing accounts or on time deposits. The charity also holds property to generate rental income.

**READING ALMSHOUSE CHARITY
TRUSTEES ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is a Charitable Incorporated Organisation and is governed by a Constitution dated 8 July 2013 and was incorporated on that date.

The registered address and principal office at which the charity can be contacted is:-

The Office
Penton House
58 Longships Way
Kennet Island, Reading, RG2 0GP

The trustees who have served during the year are set out below:

Mr P R Clark	(Chairman from 1 September 2021)
Mr P J Webb	(Chairman until 1 September 2021)
Mrs M F Bedwell	
Mr J W Cornwell	
Mr C A Hubbard	
The Revd G V Lautenbach	(ex-officio)
Mr R N Pittman	
Mrs J Spratley	
Mrs J L Thomas	
Ms C M Wise	

The Board of Trustees co-opts new trustees to replace those who retire. The constitution provides for the co-option of up to 12 trustees and up to 3 ex-officio trustees, with a minimum of 5 trustees. New trustees are identified from the local community by having particular skills such as expertise in property, law, finance and low- cost housing.

Existing trustees of the Charity are already familiar with its governing structure, financial affairs and activities. At meetings, trustees are briefed by the Clerk on any current or long-standing issues with which they may not be familiar.

On or before appointment all new trustees are sent a copy of the charity's constitution, a copy of the latest trustees Annual Report, copies of the minutes of recent trustee meetings and a copy of the Charity Commission's guidance "The essential trustee: what you need to know". They are also advised to consult regularly the Charity Commission website. Trustees receive a copy of the quarterly Almshouse Gazette and are invited to attend seminars run by the Almshouse Association.

The administration of the Charity is in the hands of the trustees who meet up to six times a year. Sub-committees covering property and other subjects are set up as required; these sub-committees make recommendations to the trustees.

**READING ALMSHOUSE CHARITY
TRUSTEES ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The Clerk, Kate Bessant, is appointed by the trustees and, together with the Managers, Annabel Potter and Jayne Willis, manage the day-to-day operations of the Charity. Our Managers meet regularly with the residents to assist with any issues. These are the only employees of the charity.

The pay of our three employees is reviewed annually in May, and salary levels are determined by the trustees taking into account the skill sets required, the responsibility involved and hours needed. Bonuses are sometimes awarded to recognise extra work carried out on one-off assignments.

Key risks and uncertainties

The major risk is an event occurring in our almshouse properties which would result in almshouse residents needing to be re-housed. Other risks include loss of key staff and trustees, financial loss and adverse legislation. The Charity has prepared a comprehensive risk assessment which is regularly reviewed and updated. Insurance is in place to cover potential financial loss and there is a planned ongoing property maintenance programme.

Fundraising

Reading Almshouse Charity does not engage in any fundraising, as it receives its funding from its charitable activities and investments. Reading Almshouse Charity therefore has had no need to employ a professional fund-raiser nor engage the services of any third-party organisations to help raise funds. In line with this, Reading Almshouse Charity has not considered it necessary or appropriate to sign up to any regulatory code of fundraising practise. Reading Almshouse Charity has not received any complaints regarding fundraising during the year. Reading Almshouse Charity has a strong ethos of respect for its service-users' independence and dignity and would not countenance any conduct or activities that undermined this.

Approved by the trustees on
and signed on their behalf by

25th January 2022

P R Clark

P R Clark (Chairman)

READING ALMSHOUSE CHARITY

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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 judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and 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. 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 irregularity

REPORT OF THE INDEPENDENT AUDITORS' TO THE TRUSTEES OF READING ALMSHOUSE CHARITY

Opinion

We have audited the financial statements of Reading Alms House Charity for the year ended 30 September 2021 which comprise the Statement of Financial Activities, Balance Sheet, cash flow 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 30 September 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 trustees' 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 period of at least twelve months from when the financial statements are authorised for issue.

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

REPORT OF THE INDEPENDENT AUDITORS' TO THE TRUSTEES OF READING ALMSHOUSE CHARITY (CONTINUED)

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are 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 trustees 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 trustees are 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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS' TO THE TRUSTEES OF READING ALMSHOUSE CHARITY (CONTINUED)

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context for the UK operations were the Charities Act 2011, together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statements.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Charity for fraud. The laws and regulations we considered in this context for the Charity were Charity Commission regulations, fire regulations, and Health and Safety. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, reviewing accounting estimates for biases and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

REPORT OF THE INDEPENDENT AUDITORS' TO THE TRUSTEES OF READING ALMSHOUSE CHARITY (CONTINUED)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe U.K. LLP
Statutory Auditor
Aquis House
49-51 Blagrove Street
Reading
RG1 1PL

Date: 9 FEBRUARY 2022

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

READING ALMSHOUSE CHARITY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	Unrestricted 2021 £	2020 £
INCOME AND ENDOWMENTS FROM:			
Charitable Activities			
Residential Income	3	721,324	669,817
Investments			
Interest		59	385
Rent of investment property	4	<u>38,477</u>	<u>38,743</u>
Total income		<u>759,860</u>	<u>708,945</u>
EXPENDITURE ON:			
Charitable Activities	5a	660,726	575,449
Raising funds			
Costs re investment properties	4	<u>70</u>	<u>10,452</u>
Total expenditure		<u>660,796</u>	<u>585,901</u>
Net Gains on Investments		<u>-</u>	<u>147,000</u>
Net Income for the year		99,064	270,044
Losses on revaluation		<u>-</u>	<u>(50,000)</u>
Net movement in funds for the year		99,064	220,044
Funds Brought forward		<u>7,528,605</u>	<u>7,308,561</u>
FUND BALANCES CARRIED FORWARD		<u>7,627,669</u>	<u>7,528,605</u>

All income and expenditure was unrestricted in the current and preceding year.

The notes on pages 15 to 23 form part of these accounts

READING ALMSHOUSE CHARITY
BALANCE SHEET
AS AT 30 SEPTEMBER 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	8	7,916,585	8,043,303
Investments	8	<u>500,000</u>	<u>500,000</u>
		8,416,585	8,543,303
CURRENT ASSETS			
Debtors	9	36,516	33,353
Cash at bank and in hand		<u>712,354</u>	<u>542,052</u>
		748,870	575,405
CREDITORS: Amounts falling due within one year	10	<u>(167,673)</u>	<u>(245,344)</u>
NET CURRENT ASSETS		<u>581,197</u>	<u>330,061</u>
CREDITORS: Amounts falling due after one year	11	<u>(1,370,113)</u>	<u>(1,344,759)</u>
NET ASSETS		<u>7,627,669</u>	<u>7,528,605</u>
FUNDS			
Unrestricted funds		<u>7,627,669</u>	<u>7,528,605</u>
		<u>7,627,669</u>	<u>7,528,605</u>

Approved by the trustees on
and signed on their behalf by



P R Clark (Chairman)

25 January 2022

The notes on pages 15 to 23 form part of these accounts.

READING ALMSHOUSE CHARITY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash provided by operating activities (see below)	<u>259,459</u>	<u>324,116</u>
Cash flows from investing activities		
Purchase of fixed assets	(6,216)	(278,437)
Proceeds from sale of investments	-	207,000
Bank interest received	<u>59</u>	<u>385</u>
Net cash (used in)/provided by investing activities	<u>(6,157)</u>	<u>(71,052)</u>
Cash flows from financing activities		
Bank loan repayments	(41,178)	-
Bank interest paid	<u>(41,822)</u>	<u>(46,811)</u>
Net cash used in financing activities	<u>(83,000)</u>	<u>(46,811)</u>
Change in cash and cash equivalents in reporting period	170,302	206,253
Cash and cash equivalents at the beginning of the reporting period	<u>542,052</u>	<u>335,799</u>
Cash and cash equivalents at the end of the reporting period	<u><u>712,354</u></u>	<u><u>542,052</u></u>

Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income	99,064	220,044
Adjustments for		
Depreciation charges	132,934	131,953
Revaluation of investment property	-	50,000
Interest received	(59)	(385)
Interest payable	41,822	46,811
(Profit)/loss on the sale of Investments	-	(147,000)
Decrease/(increase) in debtors	(3,163)	7,050
Increase/(decrease)/ in creditors	<u>(11,139)</u>	<u>15,643</u>
	<u><u>259,459</u></u>	<u><u>324,116</u></u>

Analysis and movement of Net Debt	2020 £	Cash flow £	2021 £
Cash in hand	342,052	170,302	512,354
Notice Deposits (less than 3 months)	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total cash and cash equivalents	542,052	170,302	712,354
Loans	<u>(1,500,000)</u>	<u>41,178</u>	<u>(1,458,822)</u>
Total	<u><u>(957,948)</u></u>	<u><u>211,480</u></u>	<u><u>(746,468)</u></u>

**READING ALMSHOUSE CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

1. CHARITY INFORMATION

The principal activity of the charity is the provision of almshouses in Reading. The charity is a Charitable Incorporated Organisation (charity number 1152759) and is incorporated and domiciled in the UK. The address of the registered office is The Office, Penton House, 58 Longships Way, Kennet Island, Reading, RG2 0GP.

2. STATEMENT OF ACCOUNTING POLICIES

a) Basis of Accounts Preparation

The accounts have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Reading Almshouse Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Going concern

The charity depends on bank loan facilities which funded the purchase of Liberty House. Current forecasts indicate that the charity expects to be able to operate within these facilities for the whole of the foreseeable future.

In their assessment of going concern the trustees have considered the current and developing impact on the charity as a result of the COVID-19 virus. This has not had a significant, immediate impact on the charity's operations because income and expenditure continue at previous levels resulting in an ongoing surplus, but the trustees are aware that if the current situation becomes prolonged then this may change. In addition, the charity has significant cash resources and an investment property which could be sold. Having regard to the above, the trustees believe it appropriate to adopt the going concern basis of accounting.

b) Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in note 2, trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimation and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects the current and future periods.

The key source of estimation uncertainty that has a significant effect on the amounts recognised in the financial statements is in respect of the investment property valuation. The charity's investment properties are stated at their estimated fair value as disclosed in Note 8.

READING ALMSHOUSE CHARITY
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

c) Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

d) Income

All incoming resources are included in the statement of financial activities when the charity is entitled to the income, receipt is probable, and the amount can be quantified with reasonable accuracy.

The following specific policies are applied to particular categories of income:

- Maintenance Contributions are recognised when receivable.
- Investment income is included when receivable except for rents which are adjusted for rent free periods.

e) Resources expended

Expenditure is recognised on an accrual basis as each liability is incurred.

Raising funds comprise the costs associated with managing and maintaining the investment properties.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Charitable expenditure is reported under two sub headings:

- Running and maintenance costs of the almshouses.
- Support costs

f) Leases

In respect of operating leases for which the charity is the lessor, the charity classifies the leasing of the investment properties as an operating lease. The rents received from investment properties are recognised in the financial statements for the period to which they relate.

g) Taxation

As a registered charity, the charity benefits from council tax relief and is generally exempt from income tax and capital gains tax, but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

READING ALMSHOUSE CHARITY
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

h) Depreciation

The Castle Street almshouses are the functional properties of the charities and are deemed to be inalienable assets. The cost is below the estimated realisable value and hence no depreciation is provided on the original cost.

In view of the age of the Castle Street property no expenditure in respect of updating and improvements is capitalised unless the cost of the individual items is in excess of £10,000. Following the initial fitting out of Penton House and Liberty House, fixtures and fittings will only be capitalised if the cost of individual items exceeds £1,000.

Depreciation of tangible fixed assets is provided at the following annual rates in order to write off each asset over its estimated useful life:

Penton House and Liberty House buildings:	50 years on a straight line basis
Fixtures and Fittings	5 years on a straight line basis

No depreciation is provided on properties held as investments.

i) Fixed Asset Investment Properties

Investment properties are included in the balance sheet at the trustees' estimation of market value. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

j) Fund Accounting

Unrestricted general funds are funds that are available for use at the discretion of the trustees in the furtherance of the general objectives of the charity.

k) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

l) Creditors and provisions

Creditors and provisions are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

m) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

n) Pensions

Pension contributions are made to the NEST scheme for those staff who wish it, in line with the Auto-enrolment provisions. Costs are charged to the Statement of Financial Activities as incurred.

READING ALMSHOUSE CHARITY
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

3. RESIDENTIAL INCOME

	2021 £	2020 £
The residential income comprises:		
Maintenance	706,407	658,431
Heating Contribution	14,777	11,206
Guest room	<u>140</u>	<u>180</u>
	<u><u>721,324</u></u>	<u><u>669,817</u></u>

4. RENT RECEIVABLE

Rent is receivable from investment property held.

	2021 £	2020 £
Rent receivable	<u><u>38,477</u></u>	<u><u>38,743</u></u>

The related costs associated with generating these funds are as follows:

	2021 £	2020 £
Maintenance costs	-	-
Professional Fees	70	10,452
Other costs	<u>-</u>	<u>-</u>
	<u><u>70</u></u>	<u><u>10,452</u></u>

READING ALMSHOUSE CHARITY
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

5a) CHARITABLE ACTIVITIES

	2021 £	2020 £
Upkeep of Almshouses (5b)	385,285	291,535
Frilsham & Yattendon Parochial Charities	2,000	2,000
Depreciation	132,934	131,953
Provision for unpaid maintenance contributions	5,447	11,257
Support costs (5c)	93,238	91,893
Mortgage interest	<u>41,822</u>	<u>46,811</u>
	<u>660,726</u>	<u>575,449</u>

The Frilsham & Yattendon Parochial Charities provides relief to persons in need in the parishes of Frilsham and Yattendon via the Churchwardens.

5b) Upkeep of Almshouses

	2021 £	2020 £
Water and Insurance	42,606	37,245
Light and Heat	39,072	20,026
Repairs and Maintenance	224,840	163,498
Estate management and service fees	34,122	17,102
Managers' Salaries and Expenses	42,573	52,273
Council tax on vacant accommodation	<u>2,072</u>	<u>1,391</u>
	<u>385,285</u>	<u>291,535</u>

5c) Support costs

	2021 £	2020 £
Clerks Salary and Expenses	39,208	44,845
Managers' office costs	7,621	7,372
Miscellaneous	5,245	4,022
Governance costs:		
Professional fees	31,384	26,474
Audit fee	<u>9,780</u>	<u>9,180</u>
	<u>93,238</u>	<u>91,893</u>

READING ALMSHOUSE CHARITY
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

6. STAFF COSTS

Staff costs during the year comprise:

	2021 £	2020 £
Salaries	74,607	88,044
National Insurance	3,461	4,738
Pension costs	<u>3,714</u>	<u>4,179</u>
	81,782	96,961
 Recruitment and training	 <u>4,796</u>	 <u>157</u>
	<u><u>86,578</u></u>	<u><u>97,118</u></u>

The weekly average number of staff was as follows:

	2021	2020
Managers	2	2
Clerk	<u>1</u>	<u>1</u>
	<u><u>3</u></u>	<u><u>3</u></u>

No employee earned in excess of £60,000 per annum.

No trustees received any remuneration. 1 trustee received reimbursement for residents' functions and retirement gifts paid for on behalf of the charity during the year of £324 (2020: 6: £984).

The remuneration of key management personnel (including employers NI and employers pension costs) is £81,782 (2020: £96,961).

No ex-gratia payments (2020: £Nil) were made during the year.

7. RELATED PARTIES

During the year £2,000 (2020: £2,000) was donated to Frilsham & Yattendon Parochial Charities, for which the Reverend Glynnis Lautenbach's husband is the Rector of the Hermitage Benefice, including Frilsham and Yattendon. This donation is made under the terms of the Reading Almshouse Charity's constitution.

READING ALMSHOUSE CHARITY
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

8. TANGIBLE FIXED ASSETS

	Almshouse & associated property used for charitable purposes £	Fixtures and fittings £	Other property held for investment purposes £	Total £
COST OR VALUATION:				
At 1 October 2020	8,847,037	73,569	500,000	9,420,606
Additions	1,452	4,764	-	6,216
Disposals	-	-	-	-
Revaluations	-	-	-	-
At 30 September 2021	<u>8,848,489</u>	<u>78,333</u>	<u>500,000</u>	<u>9,426,822</u>
DEPRECIATION:				
At 1 October 2020	857,449	19,854	-	877,303
Charge for the year	<u>118,553</u>	<u>14,381</u>	<u>-</u>	<u>132,934</u>
At 30 September 2021	<u>976,002</u>	<u>34,235</u>	<u>-</u>	<u>1,010,237</u>
NET BOOK VALUES				
At 30 September 2021	<u>7,872,487</u>	<u>44,098</u>	<u>500,000</u>	<u>8,416,585</u>
At 30 September 2020	<u>7,989,588</u>	<u>53,715</u>	<u>500,000</u>	<u>8,543,303</u>

The Almshouse property includes the property in Castle Street, Reading, Penton House, Kennet Island Reading and Liberty House, Lower Earley, Reading together with the fixtures and fittings at Penton House. The trustees consider that the market value of the Castle Street Almshouses at 30 September 2021 was £4.75million (included at a net book value of £48,351 above).

Additions comprise the refurbishment of Liberty House in Lower Earley.

Included in investment property is the property in West Street which was valued at £500,000 as at 30 September 2021 by the Trustees.

The value of the freehold land included within the Penton House property cost is £1,597,925.

The value of the freehold land included with the Liberty House property cost is £1,025,000.

9. DEBTORS

	2021 £	2020 £
Debtors	3,440	2,461
Prepayments	<u>33,076</u>	<u>30,892</u>
	<u>36,516</u>	<u>33,353</u>

READING ALMSHOUSE CHARITY
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

10. CREDITORS: Amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts (note 15)	88,709	155,241
Social Security and other taxes	1,455	1,341
Accrued expenses	52,777	65,412
Other creditors	<u>24,732</u>	<u>23,350</u>
	<u>167,673</u>	<u>245,344</u>

11. CREDITORS: Amounts falling due after one year

	2021 £	2020 £
Bank loans and overdrafts (note 15)	<u>1,370,113</u>	<u>1,344,759</u>

12. COMMITMENTS

At the balance sheet date there were no capital commitments (2020: £nil).

13. FINANCIAL INSTRUMENTS

	2021 £	2020 £
Financial assets measured at amortised cost	715,794	544,513
Financial assets measured at fair value	500,000	500,000
Financial liabilities measured at amortised cost	1,536,331	1,588,762

The company's income, expense, gains and losses in respect of financial instruments are summarised below:

Financial assets measured at fair value	38,536	39,128
Financial liabilities measured at amortised cost	41,822	46,811

Financial assets measured at amortised cost comprise trade debtors, accrued income and cash equivalents.

Financial assets measured at fair value comprise investments.

Financial liabilities measured at amortised cost comprise other creditors, accruals and bank loans.

READING ALMSHOUSE CHARITY
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

14. LEASES

The charity earns rental income by leasing its investment properties to tenants under non-cancellable operating leases. Leases in which substantially all risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

At the balance sheet date, the charity had contracted with tenants to receive the following future minimum lease payments:

	2021 £	2020 £
Not later than one year	38,477	38,477
Later than one year and not later than five years	27,254	65,731
Later than five years	-	-
	<u>65,731</u>	<u>104,208</u>

There are no contingent rents recognised as income.

15. BANK LOANS

An analysis of the maturity of loans and overdrafts is as follows:

	2021 £	2020 £
Amounts falling due within 1 year	88,709	155,241
Amounts falling due between 2-5 years	354,837	354,837
Amounts falling due after 5 years	<u>1,015,276</u>	<u>989,922</u>
	<u>£ 1,458,822</u>	<u>£ 1,500,000</u>

A bank loan of £1,000,000 was advanced in February 2019. The loan is repayable over 10 years with an interest only period for the first 2 years. Interest is charged at 2% above the bank's base rate.

A bank loan of £500,000 was advanced in February 2019. The loan is repayable over 10 years with an interest only period for the first 2 years. Interest is charged at 2.35% above LIBOR.

The loans are secured by a charge over the Castle Street almshouses.