

Emery Down Almshouses

Registered CIO
1157974

ANNUAL REPORT OF THE TRUSTEES

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

CHAIR OF TRUSTEES:
MICHAEL P COMBE
THE THATCHED COTTAGE
EMERY DOWN
LYNDHURST
SO43 7FJ

BANKERS:
LLOYDS BANK
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INVESTMENT MANAGERS:
M&G INVESTMENTS
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Emery Down Almshouses

TRUSTEES ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees have pleasure in presenting their 6th Annual Report for the CIO Emery Down Almshouses. This report covers the year to 31 December 2020.

Background and Objects

Emery Down Almshouses is a Charitable Incorporated Organisation. Its main purpose of being is a Charity that holds the assets vested from Emery Down Cottages Trust (registered Number 203489) and to be the vehicle that enabled the Trustees to borrow funds in the form of a loan from the Charity Bank. The funds were required in 2014 to help finance the costs of renovating the five Almshouses in Emery Down. The Almshouses were originally gifted by the Boulton Estate and since 1961 had been held by the Emery Down Cottages Trust Registered Charity 203489; they were vested to the CIO Emery Down Almshouses in 2014.

The Charity owns the freehold of five small cottages within two buildings forming an L shape around the garden which has a central well.

The prime object of Emery Down Almshouses (the Charity) is to provide accommodation for selected almspeople in the cottages known as Boulton Cottages. To make homes available primarily for people living within the Parish of Christ Church Emery Down (encompassing the village of Emery Down and the hamlets of Bank and Gritnam) or in the neighbouring parishes of Lyndhurst and Minstead who, possibly for reasons outside their control have found themselves in need of an affordable homes. Residents are selected using criteria set out within the Charity's Constitution.

Residents of the Almshouses are required to make a weekly contribution towards maintenance costs, but these contributions are set below market rents (approximately 20% lower). The Charity is solely dependent on the residents' maintenance contributions and from income earned from funds held in M&G Investments – M&G Charity Multi Asset Fund was previously known as National Almshouse Association Common Investment Funds (NAACIF). The NAACIF is now combined into a new fund known as the Charity Authorised Investment Fund (CAIF).

Activity during the year

During 2020 the Charity was pleased that all almspeople continued to be happily settled within their cottages. With the Covid pandemic this meant the residents were home-based with very restricted movements as a result of the Government lockdowns.

Trustee changes

There were none during 2020.

Emery Down Almshouses

TRUSTEES ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

Activity during the year (continued)

Maintenance and building fabric

The quinquennial review was carried out at the end of 2017. The Trustees now have a new post-renovation working document to use in an ongoing plan for repairs and property enhancements.

The Trustees agreed a policy one cottage a year to be decorated and on the 6th year the external of all cottages will be decorated. A small amount of redecorating took place in Cottage 2 in January but no further decorating took place due to the HM Government's COVID-19 guidelines for socially distanced living and safeguarding of older or vulnerable citizens.

The final upgrades to the heating took place in the 3rd quarter with Cat21 electric radiators being installed in the last remaining bathrooms.

Other maintenance has been minor, but has been when needed, taking care to work under the Covid-19 guidelines.

On the fabric of the buildings there has been a roof repair where tiles had slipped on the verge of Cottage 5.

In February £2,400 was spent from the remaining Goldman Sachs Grant funds to landscape and plant the bank inside the surrounding garden wall, this work was completed in March 2020. A mixture of plants were woven in a tapestry fashion and were to secure the bank where some of the grass had been removed.

Trustees had expected to spend the remaining grant funds (£4,534) on repairs to the rear wall during 2020, but delayed this project to avoid any risk to residents caused by bringing contractors onto the site during the Covid-19 pandemic. The Trustees hope this work will take place in 2021.

The Trustees plan changes to the front path and are currently researching the most suitable surface for walking on and to provide a more stable surface for wheelchair use and ambulance trolleys.

Emery Down Almshouses

TRUSTEES ANNUAL REPORT (Continued) FOR THE YEAR ENDED 31 DECEMBER 2020

Activity during the year (continued)

Financial Review

Income

The income and expenditure statement represents all monies received and expended for the year ended 31 December 2020 and has been prepared on a cash basis.

The main source of the Charity's income is the weekly maintenance contribution received from the occupants of the cottages, being the beneficiaries of the Charity.

The Charity received a total of £30 per month from two donors within the parish who began giving during the renovation project. A donation of £1,000 was also received from another local benefactor. The Trustees continue to use such donations to reduce the outstanding capital on the mortgage and thereby reduce the future interest expense.

Expenses

The Charity's single largest expense is the mortgage repayment. The charity continues to pay Charity Bank a variable rate of 3.75% above the Bank of England base rate. There were two reductions in the rate in 2020.

During the year the interest paid was £5,718. (2019 : £7,032) .

The monthly capital repayments were £11,024 (2019: £9,768).

The Trustees remain keen to reduce the loan as quickly as possible and in December 2020 agreed to make a one-off capital repayment of £1,360 (using donations received in the year from local donors).

The Trustees have previously chosen to opt for reducing the loan term by continuing to make monthly repayments at £1,400 however from July 2020 the Charity Bank are unable to honour this arrangement of the round sum and the future monthly repayments will be recalculated after any lump sum repayment. This means the loan end date is fixed and cannot be shortened. The loan is now due to be completed by August 2030 having been September 2039 at the loan commencement.

Charitable income received and costs incurred were in line with those budgeted at the beginning of the year.

The net income of the charity for 2020 is £16,530 (2019 - £10,456)

Emery Down Almshouses

TRUSTEES ANNUAL REPORT (Continued) FOR THE YEAR ENDED 31 DECEMBER 2020

Activity during the year (continued)

Financial Review

Assets

In line with recommended guidance from The National Almshouse Association (NAA) the Trustees have continued to make the transfers to the Extraordinary Repair Fund (ERF) and to the Cyclical Repair Fund (CRF), for 2020 - £6,700 (2019 - £6,460).

These regular transfers to the M&G Charity Multi Fund Income and M&G Charity Multi Fund Accumulation funds enable the Charity to build reserves for the future. Because these funds are linked to the stock market their value will rise and fall in line with the market. During 2020 there was a significant fall in value when the country went into the first Covid-19 lockdown but over the course of the year there was some recovery with a marked rise in December when the Brexit trade agreement was agreed.

| | Income | Accumulation |
|---|--------|--------------|
| | £ | £ |
| Funds at 1 January 2020 | 10,085 | 22,349 |
| M&G Dividend re-invested (Accumulated) | 0 | 869 |
| Investments made | 4,160 | 2,540 |
| Capital depreciation (Balancing Figure) | (763) | (1,587) |
| Funds as at 31 December 2020 * | 13,482 | 24,171 |

* - mid market value on 31 December 2020

Emery Down Almshouses

TRUSTEES ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

Financial Review (continued)

Trustees

Day to day operation is delegated to the Clerk, with the Trustees meeting formally four times per year.

The current Trustees and their roles are as follows

| Trustee | Type and tenure | Position | Date |
|-------------------|--|-----------|--------------------------------------|
| Mr M P Combe | Nominated - 3 years from 24/07/2020 | Chair | Re-elected Chair 16/10/2020 |
| Miss S Hall | Re-elected - 1 year term from 16/10/2020 | Clerk | Re-appointed Clerk 16/10/2020 |
| Mrs J Barwood | Re-elected - 1 year term from 16/10/2020 | Treasurer | Re-appointed Treasurer 16/10/2020 |
| Mrs E Combe | Re-elected - 5 year term from 18/09/2017 | | |
| Mr S Whitehorn | Elected - 5 year from 05/06/2017 | | |
| Mr P Trend | Elected - 5 year from 07/12/2017 | | |
| Rev D S Potterton | Ex-Officio - from 21/08/2018 For the period of tenure | | |
| Dr P J Burrows | Elected - 5 year from 06/02/2019 | | |
| | | | |

Third parties did not offer any assistance to the Trustees during 2020.

Approved by the Trustees and signed on their behalf by:


Mr Michael P Combe (Chairman)

12 Oct 2021

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Date

Emery Down Almshouses

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 December

| | 2020 | 2020 | 2020 | 2020 | 2019 | 2019 |
|--------------------------------------|---------------|---------------|-------|---------------|--------|---------------|
| | Restricted | General | Total | Total | Total | Total |
| | £ | £ | £ | £ | £ | £ |
| Income | | | | | | |
| Weekly Maintenance Contributions | 0 | 28,147 | | 28,147 | | 29,636 |
| Investment Income | | | | | | |
| Interest - National Savings Account | | 1 | 1 | | | |
| Dividend - M&G Charity Income | | 390 | 390 | | 289 | |
| Dividend - M&G Charity ERF | | 869 | 869 | | 783 | |
| | <u>0</u> | <u>1,260</u> | | 1,260 | | 1,072 |
| Fundraising | | | | | | |
| Grants - restricted | | | | | 15,519 | |
| Donations - restricted | 360 | | 360 | | 360 | |
| Donations - unrestricted | | 1,000 | 1,000 | | 1,000 | |
| EDA Fund Raising/Events | | 0 | 0 | | 0 | |
| | <u>360</u> | <u>1,000</u> | | 1,360 | | 16,879 |
| Total Income | <u>360</u> | <u>30,407</u> | | <u>30,767</u> | | <u>47,587</u> |
| Expenditure | | | | | | |
| Mortgage Interest | | 5,721 | 5,721 | | 7,032 | |
| NAA Subscription | | 175 | 175 | | 168 | |
| Water Rates | | 1,441 | 1,441 | | 1,621 | |
| Insurance | | 1,158 | 1,158 | | 1,036 | |
| Professional fees | | 250 | 250 | | 655 | |
| Maintenance - General costs | | 1,866 | 1,866 | | 2,734 | |
| Maintenance - Cyclical reserve funds | | | 0 | | | |
| Maintenance - Grant funds | 3,252 | | 3,252 | | 23,646 | |
| Garden | | 43 | 43 | | 120 | |
| Insurance claim refund of excess | | 45 | 45 | | 0 | |
| Postage, Printing and Stationery | | | 0 | | 29 | |
| Resident Xmas Gifts | | 126 | 126 | | 77 | |
| Sundries | | 160 | 160 | | 13 | |
| Total Expenditure | <u>3,252</u> | <u>10,985</u> | | <u>14,237</u> | | <u>37,131</u> |
| Net Income for the Year | <u>-2,892</u> | <u>19,422</u> | | <u>16,530</u> | | <u>10,456</u> |

Emery Down Almshouses

INCOME AND EXPENDITURE ACCOUNT

Other cash and fund movements

| | | | | | |
|----------------------------------|---------------|---------------|---------------|--------------|----------------|
| Charity Bank Loan Repayments | | | | | |
| Capital Repaid Monthly | | 11,024 | 11,024 | 9,768 | |
| Lump Sum Capital Repayment | 360 | 1,000 | 1,360 | 5,000 | |
| | <u>360</u> | <u>12,024</u> | | | |
| | | | 12,384 | | 14,768 |
| Investment Funds (M&G CMA Funds) | | | | | |
| ERF & CRF Transfers | | 6,700 | 6,700 | 6,460 | |
| ERF Dividend Re-invested | | 869 | 869 | 783 | |
| | <u>0</u> | <u>7,569</u> | <u>7,569</u> | <u>7,243</u> | |
| Funds Withdrawn | 0 | 0 | 0 | 0 | |
| Net movement in M&G CMA Funds | <u>0</u> | <u>7,569</u> | <u>7,569</u> | | 7,243 |
| Outflow of Cash for the Year | <u>-3,252</u> | <u>-171</u> | <u>-3,423</u> | | <u>-11,555</u> |

Emery Down Almshouses

STATEMENT OF ASSETS AND LIABILITIES

FOR THE YEAR ENDED

| | | 31-Dec 2020 £ | 31-Dec 2019 £ |
|---|-------|---------------------|---------------------|
| Bank and Cash | | | |
| Historic Cost | Notes | | |
| Cash in Current Account | | 1,287 | 382 |
| Cash in Fundraising Account | 1 | 4,535 | 8,865 |
| National Savings Investment Account | | 123 | 122 |
| | | <u>5,945</u> | <u>9,369</u> |
| Represented by: | | £ | £ |
| Balance B/fwd 1 January 2020 | | 9,369 | 20,923 |
| Net movement of funds 2020 | | -3,423 | -11,554 |
| Balance carried forward 31 December 2020 | | <u>5,946</u> | <u>9,369</u> |
| Investment Assets at open market value | | £ | £ |
| M&G Investment Shares - Income | | 13,462 | 10,085 |
| M&G Investment Shares - Accumulation | | <u>24,172</u> | <u>22,349</u> |
| | 2 | <u>37,654</u> | <u>32,434</u> |
| Total Charity Funds | | <u>43,600</u> | <u>41,803</u> |
| | | £ | £ |
| Land and Buildings | | | |
| 1 - 5 Boulbee Cottages | 3 | 750,000 | 750,000 |
| Mortgages and Loans | | | |
| Charity Bank | 4 | <u>11,000</u> | <u>11,000</u> |

Signed on behalf of the Trustees by:

M. P. COMBE

Name:

M. P. COMBE

Date: 12 Oct 2021

Emery Down Almshouses

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Analysis of Restricted Funds

| | Renovation Fund £ | GSG Grant £ | Total Funds £ |
|----------------------------------|-------------------------|-------------------|---------------------|
| Opening balance 1/1/2020 | | 7,786 | 7,786 |
| Receipts | | | |
| Donations - regular | 360 | | 360 |
| Donations - one off | 1,000 | | 1,000 |
| Funds Expended | | | |
| Wall Repairs - materials | | | 0 |
| Wall Repairs - labour | | | 0 |
| Railings restoration - materials | | | 0 |
| Railings restoration - labour | | (363) | (363) |
| Upgrade to electric heating | | (586) | (586) |
| Garden landscaping and planting | | (2,300) | (2,300) |
| Capital repayment of mortgage | (1,360) | | (1,360) |
| Closing Balance 31/12/2020 | 0 | 4,534 | 4,534 |

Restricted and general fund raising funds are held separately from the general

Emery Down Almshouses

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

charity funds utilising a bank account designated for fund raising

2 Investments

The charity holds two National Almshouse Common Investment Funds which are held and managed by M&G Charities

During the year M&G changed the name of the National Almshouse Association Common Investment Funds (NAACIF) to become M&G Charity Multi Asset Funds

The Accumulation Fund is designated for the Extraordinary Repair Funds.

The Income Fund is currently designated as the Cyclical Reserve Fund

The charity makes quarterly transfers to both funds in line with the rates recommended by The National Almshouse Association

Funds will be utilised from the Cyclical Repair Fund as the Trustees deem necessary

The year end balances represent the mid market price

The Trustees do not report a full balance sheet and therefore do not recognise the revaluation reserve that would be required in non Charity Accounting for the property owned

3 Land and Buildings

The land and buildings were valued by C Rutland (FRICS MRE) in April 2014 based on open market value as a single investment unit consisting five cottages.

The Trustees have deferred an independent revaluation for a further 5 years and instead have reviewed the value of the properties with the market movement in the area and consider there to be no material change in value.

4 Charity Bank Loan

The mortgage with the Charity is secured by a First Legal Charge over the Registered property

The mortgage interest is charged at Bank of England Base Rate + 3.75% . and the loan term is to August 2030. (2019: January 2031)

5 Guarantees

At 31 December 2020 the Charity had not issued any guarantees. (2019: Nil)

Emery Down Almshouses

INDEPENDENT EXAMINERS REPORT TO THE TRUSTEES REPORT TO THE TRUSTEES OF EMERY DOWN ALMSHOUSES

FOR THE YEAR ENDED 31 DECEMBER 2020

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND THE INDEPENDENT EXAMINER

The Charity's Trustees are responsible for the preparation of the accounts. The Charity's Trustees consider that an audit is not required for this period under Section 144(2) of the Charities Act 2011 and that an independent examination is needed.

It is my responsibility to:

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

BASIS OF INDEPENDENT EXAMINER'S REPORT

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items of disclosure in the accounts, and seeking explanations from the Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a true and fair view" and the report is limited to those matters set out in the statement below:

INDEPENDENT EXAMINER'S REPORT

In the course of my examination, no matter has come to my attention:

- Which gives me reasonable cause to believe, that in any material respect, the requirements:
- To keep accounting records in accordance with section 130 of the 2011 Act; and
- To prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

have not been met; or

- To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Accountant

12 Oct 2021