

Emery Down Almshouses

Registered CIO
1157974

ANNUAL REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

BANKERS:
LLOYDS BANK
HIGH STREET
LYNDHURST
SO43 7NX

REFURBISHMENT LOAN:
CHARITY BANK
FOSSE HOUSE
182 HIGH STREET
TONBRIDGE
TN9 1BE

INVESTMENT MANAGERS:
M&G INVESTMENTS
PO BOX 9038
CHELMSFORD
CM99 2XF

Emery Down Almshouses

TRUSTEES ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees have pleasure in presenting their 7th Annual Report for the CIO Emery Down Almshouses. This report covers the year to 31 December 2021.

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 but now vested to the CIO Emery Down Almshouses.

The Charity owns the freehold of five small cottages that are within two buildings that form an L shape surrounding a courtyard garden with a central well.

The prime object of Emery Down Almshouses (the Charity) is the provision of accommodation to selected Alms people 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 villages of Emery Down and Bank) or in the neighbouring parishes of Lyndhurst and Minstead who, possibly for reasons outside their control have found themselves within need of an affordable home. Residents are selected using the written criteria set out within the Constitution of the Charity.

Residents of the Almshouses are required to make a monthly 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 the income earned from its funds held in M&G Investments – M&G Charity Multi Asset Fund previously known as National Almshouse Association Common Investment Funds (NAACIF) now combined into a new fund known as the Charity Authorised Investment Fund (CAIF).

Activity during the year

With the Covid pandemic extending into 2021 this resulted in the residents continuing to be home based in line with the Government emergency legislation. The Trustees kept in regular touch with the Alms people during the lockdown periods and remained pleased that Alms people from four of the cottages continued to be happily settled. However, during 2021 the health of one occupant deteriorated and the Alms person was deemed as no longer able to live independently. Independent living is one of the conditions of being a beneficiary and the local Social Services became involved and have rehomed this Alms Person within a local care home. During the period of the initial hospitalization the property was re-decorated awaiting the Alms person's return, however in October the Trustees were notified that this Alms person would not be returning. His possessions were removed during November and December. A committee of three Trustees was chosen to arrange to advertise and then interview those applicants that met the criteria of limited financial means and in need of accommodation. The successful applicant moved into Cottage 4 early in January 2022.

Emery Down Almshouses

TRUSTEES ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

Activity during the year (continued)

Trustee changes

At the AGM Mr Simon Tidby was appointed as a Trustee and also as the new Treasurer. Mrs E Combe resigned as Trustee and Mrs J Barwood resigned as Treasurer but agreed to remain as Trustee. Her involvement would end once the financial statements for 31 December 2021 had been completed and there had been an effective hand-over to the new Treasurer.

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 that will be used in an ongoing plan for repairs and property enhancements. The Trustees had agreed one cottage a year will be decorated and on the sixth year the external of all cottages will be decorated. A quinquennial review is again due to be carried out in 2022.

The remaining Goldman Sachs grant funds of £4,534 were expected to have been spent on the rear wall repairs during 2020, but this project was delayed after the Covid-19 outbreak as the risk of bringing contractors onto the site was deemed too great during the Covid Pandemic and this work was further delayed by the pandemic in 2021. This work now needs to go ahead as soon as is possible so that these grant funds have been spent in a timely manner and that excess surface water in the rear and the drainage can be dealt with at the same time to avoid any further damage to the rear boundary wall.

The Trustees are still hoping to make changes to the front path and have sought and received a listed planning permission. The Trustees have committed to a period of fundraising by the maintenance team to ensure this project can go ahead.

After two very wet winters (2019 and 2020) there has been evidence of some moisture and soot staining coming through the chimney on Cottage 2. Work is deemed necessary and permissions are being sought. This is an extraordinary repair and as such it will be funded from the Charity reserves.

The Trustees have given permission for Cottage 5 to cover the fitted kitchen floor tiles with a Karndean vinyl floor. Also, a permission has been sought to replace the wall tiles in the kitchen and this was given subject to Trustees approving the colour and style choice of tile.

Other

The Charity continues to use the website launched in 2020.

After Trustee approval the Clerk has re-issued the Residents' Handbook and this now incorporates clearer advice regarding the approval permissions required by occupants for making changes within their homes and includes clarity about removal of any fittings upon the expiration of their occupancy along with some other changes on fire safety. All occupants have an updated copy of this handbook.

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 for this year represents all monies received and all monies expended during the year ended 31 December 2021 and have been prepared on a cash basis.

The main source of the Charities income is the weekly maintenance contribution received from the occupants of the cottages, being the beneficiaries of the Charity. During the year there was one month when contributions were not received due to an occupant change.

The Charity has continued to receive £30 per month from two donors within the parish who started giving during the renovation project. A donation of £1,000 was also received and in previous years these donations have been used to reduce the outstanding capital on the mortgage; however, the Trustees have agreed that in light of no recent Grant funds being received these donated funds will be put towards altering the garden path surface from the pebbles to a rolled gravel surface but there will need to be a fund raising programme to meet the full costs of making this change.

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 of 0.1% until December 2021 when it was increased to 0.25%. Subsequently there have been increases to 0.5% in February 2022, to 0.75% in March 2022, to 1% in May 2022 and it is expected to be increased again this month (June 2022) thought to be 1.25%.

During the year the interest paid was £4,914. (31 December 2020 : £5,721).

The monthly capital repayments were £11,620 (year to 31 December 2020: £11,024).

The Trustees in the last meeting of 2021 decided that they would no longer use the fundraising funds to reduce capital on the mortgage and would instead put these fundraising funds towards capital improvements.

In previous years, following rate reductions or lump sum capital repayments the Trustees have chosen to opt for keeping the repayment level at £1,400. The effect being the original loan term was reduced by nine years from September 2039 to August 2030. The Charity Bank no longer have a system allowing the Trustees to fix the monthly repayment and so with each recent rate change there has been an increase to the repayments. The mortgage payments were £1,377 in December 2021 and have risen to £1,427 in May 2022.

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

The net income of the charity for 2021 is £22,177 (2020 - £16,530).

Emery Down Almshouses

TRUSTEES ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

Activity during the year (continued)

Financial Review

Assets – Invested funds

The Trustees have in line with the recommended guidance from The National Almshouse Association (NAA) continued to make the transfers to the Extraordinary Repair Fund (ERF) and to the Cyclical Maintenance Fund (CMF), for 2021 - £6,920 and for 2020 - £6,700. The Trustees hold these reserves within the M&G Charity Multi Asset Funds. The Trustees hold the ERF fund in Accumulation shares and the CMF fund in the Income Fund. (previously held in National Almshouse Association Charity Investment Funds (NAACIF)).

These regular transfers to the M&G Charity Multi Asset (CMA) Funds enable the Charity to build reserves for future expenditure. As the funds are linked to the stock market then values will rise and fall in line with the market. During 2020 there was a significant fall in values when the country went into Lockdown 1 as a result of the Covid 19 Pandemic. Over the course of 2020 there was some recovery with a marked rise in December 2020 when the Brexit trade agreement was finally agreed. The latter part of 2021 saw much of the remaining 2020 reduction recovered as the Covid 19 vaccine programme started to deliver enabling a gradual reopening of the global economies. The M&G CMA Funds have a higher weighting in stocks (holding 60-90% in shares) and so benefitted from significant increases seen from unexpected strong profit delivery of the underlying businesses most notably in the income funds.

The single year performance of the M&G CMA Fund for the year ending 31 October 2021 was +27.2% compared to +23.7% (blended comparison rate of the general market). As quoted by Chairman of the M&G CMA Fund Advisory Committee.

	Income	Accumulation	Total
	£	£	£
Funds at 1 January 2021	13,482	24,171	37,653
M&G Dividend re-invested (Accumulated)	-	817	817
Investments made	4,280	2,640	6,920
Capital appreciation (Balancing Figure)	1,246	2,413	3,659
Funds as at 31 December 2021 *	19,008	30,041	49,049

* - mid market value on 31 December 2021

The fund manager made the decision to reduce distributions in 2021 having not done so in 2020 and this is because the UK dividend yield remained below pre-pandemic levels. The forward yield of the FTSE dividend was cited as 3.5% versus close to 5% pre-pandemic. The fund made distributions of 3.3p which generated a yield of 3.7%. The fund objective is to have a yield of at least 3%. Maintaining this strong income stream is a key focus of the fund manager.

Assets – Buildings

The Charity owns the cottages known as Boulton Cottages, Emery Down Lyndhurst SO43 7DY. The cottages underwent a significant refurbishment during 2014 and funds were received from the Homes and Communities Agency to assist with the extension and refurbishment.

Emery Down Almshouses

TRUSTEES ANNUAL REPORT (Continued) FOR THE YEAR ENDED 31 DECEMBER 2021 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 12/10/2021
Miss S Hall	Re-elected – 5 years from 16/10/2020	Clerk	Re - appointed Clerk 12/10/2021
Mrs J Barwood	Re-elected – 5 years from 16/10/2020	Treasurer	Resigned as Treasurer 12/10/2021
Mr Simon Tidby	Appointed – 5 year term From 12/10/21	Treasurer	Appointed Treasurer 12/10/2021
Mrs E Combe	Re-elected – 5 year term from 18/09/2017		Resigned as Trustee 12/10/2021
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		

Two of the committee members chosen to interview and select the new Alms person unfortunately had Covid during the interview period and the committee took a decision and sought third party assistance in the interviews.

Approved by the Trustees and signed on their behalf by:


.....
Mr Michael Combe (Chairman)

15 June 2022

.....
Date

Emery Down Almshouses

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

FOR THE YEAR ENDED 31 DECEMBER 2021

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:

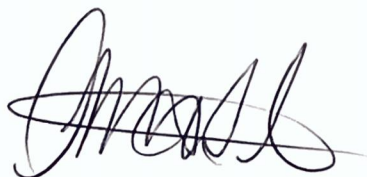
INDEPENDENT EXAMINER'S REPORT

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.



L. M. HALLSWORTH
(FCA)

Accountant

Emery Down Almshouses

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2020	31/12/2020
	Restricted £	General £	Total £	Total £	Total £	Total £
Income						
Weekly Maintenance Contributions	-	31,467		31,467		28,147
Investment Income						
Interest - National Savings Account	-	1	1		1	
Dividend - Income	-	571	571		390	
Dividend - Accumulation	-	817	817		869	
	<u>0</u>	<u>1,389</u>		1,389		1,260
Fundraising						
Grants - restricted		-	0		-	
Donations - restricted	360	-	360		360	
Donations - unrestricted	-	1,000	1,000		1,000	
EDA Fund Raising/Events		-	0		0	
	<u>360</u>	<u>1,000</u>		1,360		1,360
Total Income	<u>360</u>	<u>33,856</u>		<u>34,216</u>		<u>30,767</u>
Expenditure						
Mortgage Interest		4,914	4,914		5,721	
NAA Subscription		177	177		175	
Water Rates		1,495	1,495		1,441	
Insurance		1,169	1,169		1,158	
Professional fees		365	365		250	
Maintenance - General costs		2,658	2,658		1,866	
Maintenance - Cyclical maintenance funds		686	686		-	
Maintenance - Grant funds		272	272		3,252	
Garden		100	100		43	
Insurance claim excess/costs		-100	-100		45	
Postage, Printing and Stationery		78	78		-	
Resident Xmas Gifts		150	150		127	
Sundries		75	75		160	
Total Expenditure	<u>0</u>	<u>12,039</u>		12,039		14,238
Net Income for the Year	<u>360</u>	<u>21,817</u>		<u>22,177</u>		<u>16,529</u>
Other cash and fund movements						
Charity Bank Loan Repayments						
Capital Repaid Monthly		11,620	11,620		11,024	
Lump Sum Capital Repayment		0	0		1,360	
	<u>0</u>	<u>11,620</u>		11,620		12,384
Investment Funds (M&G Charity)						
ERF & CMF Transfers		6,920	6,920		6,700	
ERF Dividend Re-invested		817	817		869	
	<u>0</u>	<u>7,737</u>	<u>7,737</u>		<u>7,569</u>	
Funds Withdrawn	0	0	0		0	
Net movement in M&G Charity Fund	<u>0</u>	<u>7,737</u>		7,737		7,569
Inflow of Cash for Year	<u>360</u>	<u>2,460</u>		<u>2,820</u>		<u>-3,424</u>

Emery Down Almshouses

STATEMENT OF ASSETS AND LIABILITIES

FOR THE YEAR ENDED

	Notes	31-Dec 2021 £	31-Dec 2020 £
Bank and Cash			
Historic Cost			1,287
Cash in Current Account	1	3,870	4,535
Cash in Fundraising Account		4,895	123
National Savings Investment Account		0	
		<u>8,765</u>	<u>5,945</u>
Represented by:		£	£
Balance B/fwd 1 January 2021		5,945	9,369
Net movement of funds 2021		2,820	-3,424
Balance carried forward 31 December 2020		<u>8,765</u>	<u>5,945</u>
Investment Assets at open market value		£	£
M&G Investment Shares - Income		19,008	13,482
M&G Investment Shares - Accumulation	2	<u>30,041</u>	<u>24,172</u>
		<u>49,049</u>	<u>37,654</u>
Total Charity Funds		<u>57,814</u>	<u>43,599</u>
Other Charitable Assets and Liabilities		£	£
Land and Buildings			
1 - 5 Boulton Cottages	3	750,000	750,000
Mortgages and Loans			
Charity Bank	4	<u>121,568</u>	<u>134,548</u>

Signed on behalf of the Trustees by:

Name:

Michael Hyl

Date:

12 6 22

Emery Down Almshouses

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Analysis of Funds:	Unrestricted Fund General £	Restricted Fund Renovation £	Designated Grant GSG £	Total Funds £
Opening balance 1/1/2021	1,410	0	4,534	5,944
Movement in year	2,460	360	0	2,820
Reallocation of funds to be renovation	-1,000	1,000	0	0
Closing Balance 31/12/2021	2,870	1,360	4,534	8,764

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

2 Investments

The charity holds two M and G Charity funds which are managed by M&G Securities.

The Accumulation Fund is designated for the Extraordinary Repair Funds.

The Income Fund is currently designated as the Cyclical Maintenance 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 Maintenance 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.

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. (2020: August 2030).

5 Guarantees

At 31 December 2021 the Charity had not issued any guarantees. (2020: Nil)