

Emery Down Almshouses

Registered CIO
1157974

ANNUAL REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

BANKERS:
LLOYDS BANK
39 HIGH STREET
LYMINGTON
SO41 9ZF

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

INVESTMENT MANAGERS:
M&G INVESTMENTS
PO BOX 9038
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Emery Down Almshouses

TRUSTEES ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees have pleasure in presenting their 9th Annual Report for the CIO Emery Down Almshouses. This report covers the year to 31 December 2023.

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 (WMC), but these contributions are set below market rents as governed by the Valuation Office guidance. 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

This year has seen the ongoing maintenance of the cottages to ensure they are kept in good condition for the future. The main expenditure has been on the repair of the chimney between Cottages 1 & 2 and the redecoration of cottage 2. The woodburner installations carried out in 2022 have continued to help with the damp situations experienced by some of the residents.. At this point in time the trustees are awaiting the five year report on the overall condition of the Almshouses.

Emery Down Almshouses

TRUSTEES ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

Activity during the year (continued)

Trustee changes

There have been no trustee changes during this period.

Maintenance and building fabric

The quinquennial review was carried out in August 2022 and the report is still awaited to enable an ongoing schedule of works to be drawn up for implementation in 2023. The trustees have to report that the report has still not been delivered and an alternative surveyor is being sought.

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. This fund raising is still ongoing.

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. The handbook also references where the occupants can get additional support during the impending energy price increases. All occupants have an updated copy of this handbook.

Emery Down Almshouses

TRUSTEES ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023 and have been prepared on a cash basis.

The main source of the Charities income is the weekly maintenance contribution (wmc) received from the occupants of the cottages, being the beneficiaries of the Charity. The wmc was increased from September 2023 to new rates agreed by the trustees and in line with The Valuation Office reassessment. This equated to an 11% rise which was the first increase since 2017.

The Charity has continued to receive £10 per month from a donor within the parish who started giving during the renovation project.

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. During 2023 there have been increases to 9.00% as at December 2023.

During the year the interest paid was £8732 (31 December 2022: £5817).

The monthly capital repayments were £10,745 (year to 31 December 2022: £11,573).

The Trustees, since the end 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.

The Charity Bank no longer have a system allowing the Trustees to fix the monthly repayment and so with each rate change there has been an increase to the repayments. The mortgage payments were £1,535 in December 2022 and have risen to £1,654 in December 2023.

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 2022 is £14,746 (2022- £14165).

Emery Down Almshouses

TRUSTEES ANNUAL REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

Activity during the year (continued)

Financial Review

Assets – Invested funds

The Trustees have decided not to make transfers to the Extraordinary Repair Fund (ERF) and to the Cyclical Maintenance Fund (CMF) as in previous years. This decision was made with a view to utilise some of these funds to reduce the mortgage debt due to the rise in interest rates to 9.00% at the end of December 2023. However, as the Weekly Maintenance Charge has been raised for the first time since 2017 the need to reduce the debt has been negated as the income and interest rates have stabilised.

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)).

As the funds are linked to the stock market then values will rise and fall in line with the market. The M&G CMA Funds have a higher weighting in stocks (holding 60-90% in shares) and would usually benefit from significant increases seen from unexpected strong profit delivery of the underlying businesses most notably in the income funds, however this is not guaranteed and this year has seen a appreciation in the ERF funds.

	Income	Accumulation	Total
	£	£	£
Funds at 1 January 2023	20542	31619	52161
M&G Dividend re-invested (Accumulated)	-	1395	1395
Investments made	0	0	0
Capital appreciation / depreciation (Balancing Figure)	351		568
Funds as at 31 December 2023 *	20,893	33582	54475

* - mid market value on 31 December 2023

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 2023

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
Mr Simon Tidby	Appointed – 5 year term From 12/10/21	Treasurer	Appointed Treasurer 12/10/2021
Mr S Whitehorn	Elected – 5 year from 05/06/2022	Trustee	
Mr P Trend	Elected – 5 year from 07/12/2022	Trustee	
Rev D S Potterton	Ex-Officio – from 21/08/2018 For the period of tenure	Trustee	
Dr P J Burrows	Elected – 5 year from 06/02/ 2019	Trustee	

Approved by the Trustees and signed on their behalf by:

October 2024

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Date

Emery Down Almshouses

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

FOR THE YEAR ENDED 31 DECEMBER 2023

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

Emery Down Almshouses

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED

	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2022	31/12/2022
	Restricted £	General £	Total £	Total £	Total £	Total £
Income						
Weekly Maintenance Contributions	-	30,714		30,714		30,478
Investment Income						
Dividend - Income	-	884	884		775	
Dividend - Accumulation	-	1,395	1,395		1,144	
	<u>0</u>	<u>2,279</u>		2,279		1,919
Fundraising						
Grants - restricted		-	0		-	
Donations - restricted	120	-	120		140	
Donations - unrestricted	-	75	75		2,000	
EDA Fund Raising/Events		-	0		0	
	<u>120</u>	<u>75</u>		195		2,140
Total Income	<u>120</u>	<u>33,068</u>		<u>33,188</u>		<u>34,537</u>
Expenditure						
Mortgage Interest		8,732	8,732		5,817	
NAA Subscription/ ICO		188	188		181	
Water Rates		1,620	1,620		1,462	
Insurance		1,359	1,359		1,164	
Professional fees		18	18		698	
Maintenance - General costs		6,194	6,194		4,299	
Maintenance - Cyclical maintenance funds		0	0		0	
Maintenance - Grant funds		0	0		5,600	
Garden		55	55		0	
Insurance claim excess/costs		0	0		0	
Postage, Printing and Stationery		0	0		0	
Resident Xmas Gifts		140	140		0	
Sundries		136	136		151	
Transfer to Restoration Account		0	0		1,000	
Total Expenditure	<u>0</u>	<u>18,442</u>		<u>18,442</u>		<u>20,372</u>
Net Income for the Year	<u>120</u>	<u>14,626</u>		<u>14,746</u>		<u>14,165</u>
Other cash and fund movements						
Charity Bank Loan Repayments						
Capital Repaid Monthly		10,745	10,745		11,573	
Lump Sum Capital Repayment		0	0		0	
	<u>0</u>	<u>10,745</u>		10,745		11,573
Investment Funds (M&G Charity)						
ERF & CMF Transfers		0	0		3,460	
ERF Dividend Re-invested		1,395	1,395		1,144	
	<u>0</u>	<u>1,395</u>	<u>1,395</u>		<u>4,604</u>	
Funds Withdrawn	0	0	0		0	
Net movement in M&G Charity Funds	<u>0</u>	<u>1,395</u>		1,395		4,604
Inflow of Cash for Year	<u>120</u>	<u>2,486</u>		<u>2,606</u>		<u>-2,012</u>

Emery Down Almshouses

STATEMENT OF ASSETS AND LIABILITIES

FOR THE YEAR ENDED

		31-Dec 2023 £	31-Dec 2022 £
Bank and Cash	Notes		
Historic Cost			
Cash in Current Account		7,159	5,318
Cash in Fundraising Account	1	2,198	1,435
		<u>9,357</u>	<u>6,753</u>
Represented by:		£	£
Balance B/fwd 1 January 2023		8,765	8,765
Net movement of funds 2023		592	-2,012
Balance carried forward 31 December 2023		<u>9,357</u>	<u>6,753</u>
Investment Assets at open market value		£	£
M&G Investment Shares - Income		20,893	20,542
M&G Investment Shares - Accumulation		<u>33,582</u>	<u>31,619</u>
	2	<u>54,475</u>	<u>52,161</u>
Total Charity Funds		<u>63,832</u>	<u>58,914</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>99,249</u>	<u>109,995</u>

Signed on behalf of the Trustees by:

Name:

Date:

Emery Down Almshouses

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Analysis of Funds:	Unrestricted Fund General £	Restricted Fund Renovation £	Designated Grant GSG £	Total Funds £
Opening balance 1/1/2023	1,435	0	0	1,435
Movement in year	75	120	0	195
WMC payment posted in error	568			568
Closing Balance 31/12/2023	2,078	120	0	2,198

Restricted and general fund raising funds are held separately from the general charity funds utilising a bank account designated for fund raising

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

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. (2023: August 2030)

5 Guarantees

At 31 December 2023 the Charity had not issued any guarantees. (2022: Nil)