

## **THE BLUE HOUSE**

**The Bridge  
Frome  
Somerset  
BA11 1AP.**

### **UNAUDITED FINANCIAL STATEMENTS 31st March 2023**

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**R. E. Froud & Associates Ltd**  
Chartered Management Accountants  
61 Robins Lane  
Frome  
Somerset  
BA11 3ET

## THE BLUE HOUSE

Chairman	M Cheal
Board members/Trustees	S Barnes (appointed 27 June 2022) J Campbell J Dowling M England (appointed 27 June 2022) R Isherwood D Oakensen A Oakes C Rose S Sandon
Principal Office	The Bridge Frome Somerset BA11 1AP
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Examiner	Natalie Froud BMus MA ACMA CGMA FFA FIPA FISM MSWW R. E. Froud & Associates Ltd 61 Robins Lane Frome Somerset BA11 3ET
Registered Charity Number	1165373

# THE BLUE HOUSE

## TRUSTEES ANNUAL REPORT FOR YEAR ENDED 31 MARCH 2023

### **Structure, governance and management**

The Blue House was registered with the Charity Commission as a Charitable Incorporated Organisation (CIO) with effect from 4th March 2016 under number 1165878. The governing document is the Constitution of The Blue House. A document entitled Rules of The Blue House Trustees, as allowed for in Clause 26 of the Constitution, was adopted by the Trustees at a Board meeting held on 4th April 2016. This document sets out the rules by which the Trustees manage the Blue House. The Blue House is registered with the Home and Communities Agency (HCA) (registered number 4859) as a non-profit private registered provider of social housing.

The Board of Trustees meets six times a year. The executive Sub Committee meets on alternate months to the Board, with two representatives of the residents in attendance.

### **Co-opted Trustees**

Where a vacancy occurs, the Trustees will debate whether there are any areas of expertise that are not covered adequately by the Trustees and should try to recruit a suitable person to fill the vacancy.

In the event of more possible names being put forward than vacancies each prospective Trustee will be asked to prepare a brief statement of their skills and experiences, and to meet with the Chair. The decision will then be put to the vote at the next Trustees' meeting, providing there is a quorum.

The charity employs four part time staff including a manager, who deal with all day to day matters.

### **Objectives and activities**

The Blue House provides residential accommodation for beneficiaries is in accordance with its Constitution. This is to provide affordable, sheltered housing to poor aged persons who were born in, or who are at the time of their appointment, inhabitants of the area of benefit. The area being the town of Frome and surrounding parishes. In the activities of the charity the Trustees have considered the Charity Commission's guidance on public benefit and fee charging. Income is mainly derived from the Weekly Maintenance Contributions (WMCs) of residents.

The Trustees aim to:

- keep WMCs at the minimum level using guidelines from the Homes and Communities Agency;
- assist residents in claiming all benefits to which they are entitled;
- ensure high levels of occupancy;
- maintain the building to a high standard and improve accommodation as it becomes vacant;
- maintain the grounds as an amenity for residents;
- encourage and facilitate the involvement of residents.

### **Achievements and performance**

This year has been another very challenging year but for different reasons from the ongoing Covid-19 pandemic. We now have a very strong manager in situ who has taken on the running and upgrading of the Blue House without hesitation and who has been a marvellous support to the Trustees. He has an excellent team working with him and between them they have achieved an enormous amount. Inevitably bringing the building and gardens up to acceptable standards, not only for the residents but for a "public" building with residents has incurred considerable expenditure and we have seen our capital resources somewhat depleted.

However, the Board is strong now and are actively looking at ways of not overspending in the next financial year and hopefully being able to attract some more funding, maybe by donation from other organisations (charities, grants, etc). The introduction of the weekly coffee morning and the return of groups such as Knit & Natter and Frome Active and In Touch has enhanced our public profile as well as contributing to the communal life of the residents.

The voids have been fewer this year with two new residents joining us, though there has been notable departure of one resident who the Trustees had to ask to leave us as he was continually flouting the rules of occupancy. However, with Flat 21 having been rebuilt and now occupied and refurbished to a high standard, and that tenant's previous flat having been refurbished and immediately reoccupied, we appear to be in a healthy situation with many future requests for residents on our books.

## THE BLUE HOUSE

### TRUSTEES ANNUAL REPORT FOR YEAR ENDED 31 MARCH 2023 (CONT'D)

#### **Achievements and performance (cont'd)**

There are still concerns about the cost of fuel (world uncertainty leading to massive increases in the cost of gas and electricity) and how much the Trustees can assist the residents in this regards. It is still under review and the Trustees are very aware of their obligations to provide affordable housing to people in straightened circumstances.

#### **Financial review**

The Charities Act 2011 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 Blue House at the end of the year and the surplus or deficiency for the year then ended.

The Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of The Blue House and to enable them to ensure that the financial statements comply with the Charities Act 2011.

The Trustees are also responsible for safeguarding the assets of The Blue House and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In preparing those financial statements, the Trustees are required to select suitable accounting policies as described in this document, and then apply them on a consistent basis, making judgments and estimates that are prudent and reasonable. The Trustees must also prepare financial statements on a going concern basis unless it is inappropriate to presume that The Blue House will continue in business.

The Blue House is obliged to invest in approved funds. The Executive Committee monitors the financial situation and makes any recommendations for changes to the Trustees.

The permanent endowment investments are restricted to providing income and capital growth. Other holdings which are not restricted may be used for major repairs. Reserves are maintained sufficient to ensure the upkeep of the building and the maintenance of services.

Following a procurement process it was decided to terminate our relationship with accountants Burton Sweet. It was decided to ask R. E. Froud & Associates Ltd. to take over preparation of the Blue House accounts.

#### **Plans for future periods**

The Blue House will continue to provide accommodation within the existing premises to beneficiaries from the area of benefit. The building will be maintained in an appropriate manner in accordance with its historic status.

The trustees' annual report was approved on .....and signed on behalf of the board of trustees by:



Miriam Cheal (Chairman)  
Trustee

29/6/23



## THE BLUE HOUSE

### INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES ON THE UNAUDITED FINANCIAL STATEMENTS OF THE BLUE HOUSE

I report on the financial statements for the year ended 31 March 2023, which comprise the statement of financial activities (including income and expenditure account), statement of financial position, and the related notes.

#### **Respective responsibilities of trustees and examiner**

The trustees are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011. I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable directions given by the Charity Commission under section 145(5)(b) of the Act. I am qualified to undertake the examination by being a qualified member of the Chartered Institute of Management Accountants (CIMA).

#### **Independent examiner's statement**

In connection with my examination, I confirm that no matter has come to my attention in connection with the examination giving me cause to believe that in any material respect:

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

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



Natalie Froud BMus MA ACMA CGMA FFA FIPA FISM MSWW  
Independent Examiner

on behalf of R. E. Froud & Associates Ltd  
61 Robins Lane  
Frome  
Somerset  
BA11 3ET

Date:-

29/6/23

# THE BLUE HOUSE

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

### INCOME AND EXPENDITURE

		Unrestricted funds £	Restricted funds	2023 Endowment funds £	Total funds £	2022 Total funds £
<b>Income</b>	<b>Note</b>					
Donations and legacies		3,022	-	-	3,022	2,260
Charitable activities	2	122,035	-	-	122,035	107,471
Investments	3	887	-	-	887	9,002
<b>Total income</b>		<b>125,944</b>	<b>-</b>	<b>-</b>	<b>125,944</b>	<b>118,733</b>
<b>Expenditure</b>						
Expenditure on charitable activities	4	(135,646)	-	-	(135,646)	(115,320)
Expenditures on raising funds		(804)	-	-	(804)	-
<b>Total expenditure</b>		<b>(136,450)</b>	<b>-</b>	<b>-</b>	<b>(136,450)</b>	<b>(115,320)</b>
Net gains/(losses) on investments		(11,087)	-	-	(11,087)	9,457
Transfers between funds		(23,306)	-	23,306	-	-
<b>Net income and net movement in funds</b>		<b>(44,900)</b>	<b>-</b>	<b>23,306</b>	<b>(21,594)</b>	<b>12,870</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		240,381	188,896	407,913	837,190	824,320
<b>Total funds carried forward</b>		<b>195,481</b>	<b>188,896</b>	<b>431,219</b>	<b>815,596</b>	<b>837,190</b>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

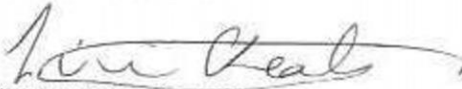
All of the above amounts relate to continuing activities.

# THE BLUE HOUSE

## STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2023

	Notes	2023		2022	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Assets	8		431,219		407,913
Investments (at Market Value)	9		265,441		276,668
			<u>696,660</u>		<u>684,581</u>
<b>CURRENT ASSETS</b>					
Stock	100			100	
Debtors	4,404			14,386	
Cash at bank and in hand	127,876			150,536	
			<u>132,380</u>		<u>165,022</u>
<b>CREDITORS: Amounts falling due within one year</b>	10		<u>(13,444)</u>		<u>(12,413)</u>
<b>NET CURRENT ASSETS</b>			<u>118,937</u>		<u>152,609</u>
<b>NET ASSETS</b>			<u><b>815,596</b></u>		<u><b>837,190</b></u>
<b>FUNDS OF THE CHARITY</b>					
Unrestricted funds	11		195,481		240,381
Restricted funds	11		188,896		188,896
Endowment funds	11		431,219		407,913
<b>TOTAL CHARITY FUNDS</b>			<u><b>815,596</b></u>		<u><b>837,190</b></u>

These financial statements were approved by the trustees on the .....and are signed on their behalf by:

  
 M Cheal  
 Chairman

# **THE BLUE HOUSE**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1. ACCOUNTING POLICIES**

##### **Basis of accounting**

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

The charity is a public benefit entity as defined under FRS 102. The Trustees consider that there are no material uncertainties affecting the ability of the charity to continue as a going concern.

##### **Income**

Income from donations is included in income when these are receivable, except as follows:

- when donors specify that donations given to the charity must be used in future accounting periods, the income is deferred until those periods;
- when donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred until the pre-conditions have been met.

Legacies are included on a receivable basis where charity is entitled to the income, it can be measured reliably and receipt is probable. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is not included in income but is treated as a contingent asset and disclosed if material.

Investment income is included on a receivable basis.

Donations in kind comprise donated services where the costs are measurable and the services would otherwise have to be paid for to maintain operational effectiveness.

##### **Expenditure**

Expenditure is recognised in the period in which it is incurred. Expenditure includes attributable VAT which cannot be recovered.

##### **Raising funds**

Raising funds expenditure include those costs incurred in seeking voluntary contributions, costs of goods sold and other costs which include the costs of running and participating in fundraising events and collections and cost of goods purchased for resale.

##### **Charitable Activities**

Grants awarded are allocated to charitable activities. Grants awarded are treated as expenditure and a liability in the accounts as soon as they become legal or constructive obligations. In the case of multi-year grant awards, the funding for all years is immediately recognised unless there are conditions which need to be met by the recipient to enable the release of subsequent years' funding.

##### **Governance costs**

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity. Governance costs are included within support costs.

##### **Allocation and apportionment costs**

Certain expenditure is directly attributable to specific activities and this has been included in those cost categories. Other costs, which are attributable to more than one category, are apportioned across cost categories on the basis of an assessment of workload carried out from time to time. Overhead support costs have been allocated to charitable activities. The apportionment has been allocated on the basis of usage and is analysed in note 6.

##### **Pension costs and other post retirement benefits**

The charity contributes to defined contribution pension schemes. Contributions payable to the charity's pension schemes are charged to the Statement of Financial Activities in the period to which they relate.

##### **Tangible fixed assets**

Fixed assets are held at cost less accumulated depreciation. Depreciation is calculated so as to write off the cost of an asset, less its estimated ultimate residual value, over the useful life of that asset. No depreciation is provided on the freehold endowment property on the basis that annual repairs and maintenance expenditure counteracts any depreciation in value.



# THE BLUE HOUSE

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

### NOTES TO THE FINANCIAL STATEMENTS - cont'd

#### Fixed asset investments

Investments are included at market value at 31 March. The SOFA includes the net gains and losses arising on revaluations and disposals during the year.

#### Stock

Stocks are valued at the lower cost and net realisable value, after making due allowance for obsolete and slow moving items. Donated items are not valued in stock and recognised in income only when sold.

#### Fund accounting

Unrestricted funds can be used in accordance with the charitable objects at the discretion of the trustees. 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. Designated funds form part of the unrestricted funds and have been identified as being for particular purposes by the Trustees. They are not restricted and can be transferred to general funds at any time at the discretion of the Trustees.

### 2. CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	2023 Endowment funds £	Total funds £	2022 Total funds £
Weekly maintenance, contributions & utilities	122,035	-	-	122,035	107,471
	<u>122,035</u>	<u>-</u>	<u>-</u>	<u>122,035</u>	<u>107,471</u>

### 3. INVESTMENTS

	Unrestricted funds £	Restricted funds £	2023 Endowment funds £	Total funds £	2022 Total funds £
Interest received	887	-	-	887	9,002
	<u>887</u>	<u>-</u>	<u>-</u>	<u>887</u>	<u>9,002</u>

### 4. EXPENDITURE CHARITABLE ACTIVITIES

	Direct Costs £	Support Costs (Note 6) £	Total Funds 2023 £
Core activity costs - almshouse	112,641	23,005	135,646
	<u>112,641</u>	<u>23,005</u>	<u>135,646</u>

#### Prior year comparative

Core activity costs - almshouse

	Direct Costs £	Support Costs (Note 6) £	Total Funds 2022 £
	98,434	16,886	115,320
	<u>98,434</u>	<u>16,886</u>	<u>115,320</u>

# THE BLUE HOUSE

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

### NOTES TO THE FINANCIAL STATEMENTS - cont'd

#### 5. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	2023 £	2022 £
Income from letting activity		
Weekly maintenance contributions and utilities	122,035	107,471
Turnover from social housing lettings	122,035	107,471
Management	37,598	25,241
Maintenance	45,639	48,095
Utilities & insurance	29,405	25,098
Other support costs	23,005	16,886
Operating expenditure on social housing lettings	135,646	115,320
Operating surplus/(deficit) on social housing lettings	(13,611)	(7,849)

#### 6. SUPPORT COSTS

	2023 £	2022 £
Staff costs	8,700	7,166
IT & telephone	8,056	4,724
Office costs	2,468	(92)
Governance costs	3,781	5,088
	23,005	16,886

#### 7. GOVERNANCE COSTS

	2023 £	2022 £
Accountancy, legal and professional		
Fees & subscriptions	3,708	4,991
Bank charges	74	97
	3,781	5,088

#### 8. STAFF COSTS AND NUMBERS

	2023 £	2022 £
Wages & Salaries	44,306	29,769
	44,306	29,769
Management and administration staff	No. 4	No. 4

No employees received emoluments of more than £60,000 in the current or prior year.  
No trustee received any remuneration during the current or prior year.

# THE BLUE HOUSE

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

### NOTES TO THE FINANCIAL STATEMENTS - cont'd

#### 9. TANGIBLE FIXED ASSETS

	Freehold Property £	Total £
<b>Cost</b>		
At 31 March 2022		
Additions	407,913	407,913
	23,306	23,306
At 31 March 2023	<u>431,219</u>	<u>431,219</u>
<b>Depreciation</b>		
At 31 March 2022 & 31 March 2023	<u>-</u>	<u>-</u>
<b>Net book value</b>		
At March 2023	<u>431,219</u>	<u>431,219</u>
At March 2022	<u>407,913</u>	<u>407,913</u>

The freehold property represents the Blue House, a Grade 1 listed building built in 1726 as an almshouse and boy's charity school and situated on an island in the River Frome adjacent to the town centre.

#### 10. INVESTMENTS

	2023 £	2022 £
<b>Valuation</b>		
At 1st April	276,668	267,211
Net gains/(losses)	(11,227)	9,457
Net book value at 31 March	<u>265,441</u>	<u>276,668</u>

Investments in the year comprise of M&G securities, Black Rock, and CAF investments.

#### 11. DEBTORS

	2023 £	2022 £
Trade debtors	1,265	10,081
Prepayments and accrued income	3,139	4,287
Other debtors	-	18
	<u>4,404</u>	<u>14,386</u>

#### 12. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	480	6,002
Taxation and social security	878	884
Accruals and deferred income	12,086	5,527
	<u>13,444</u>	<u>12,413</u>

# THE BLUE HOUSE

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

### NOTES TO THE FINANCIAL STATEMENTS - cont'd

#### 13. MOVEMENT IN FUNDS

	At 1 April 2022	Income	Expenditure	Gains / Losses	Transfers	At 31 March 2023
	£	£	£	£	£	£
<b>Unrestricted funds</b>	240,381	125,944	(136,450)	(11,087)	(23,306)	195,481
<b>Restricted funds</b>						
Extraordinary repairs fund	108,101	-	-	-	-	108,101
Cyclical maintenance fund	54,875	-	-	-	-	54,875
Clock maintenance fund	25,920	-	-	-	-	25,920
	188,896	-	-	-	-	188,896
<b>Endowment funds</b>	407,913	-	-	-	23,306	431,219
<b>Total funds</b>	<u>837,190</u>	<u>125,944</u>	<u>(136,450)</u>	<u>(11,087)</u>	<u>-</u>	<u>815,596</u>

Prior Year	At 1 April 2021	Income	Expenditure	Gains / Losses	Transfers	At 31 March 2022
	£	£	£	£	£	£
<b>Unrestricted funds</b>	349,666	118,733	(115,320)	10,368	(123,066)	240,381
<b>Restricted funds</b>						
Extraordinary repairs fund	107,175	-	-	926	-	108,101
Cyclical maintenance fund	54,875	-	-	-	-	54,875
Clock maintenance fund	27,757	-	-	(1,837)	-	25,920
	189,807	-	-	(911)	-	188,896
<b>Endowment funds</b>	284,847	-	-	-	123,066	407,913
<b>Total funds</b>	<u>824,320</u>	<u>118,733</u>	<u>(115,320)</u>	<u>9,457</u>	<u>-</u>	<u>837,190</u>

Extraordinary Repair Fund - the fund may be used for one off repairs or updates that the Trustees approve that do not come within the Cyclical fund.

Cyclical Maintenance Fund - this fund is available to use for planned maintenance that reoccurs on a regular basis or cycle.

Clock Maintenance Fund - this is a fund given to the Blue House which may only be used by the Trustees to repair and maintain the Clock and the Clock Tower.

Endowment Fund - this fund represents the grade 1 listed property.

#### 14. RELATED PARTY TRANSACTIONS

There are no transactions with trustees or other related parties other than those disclosed as required by the SORP elsewhere in the financial statements.



# THE BLUE HOUSE

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

### DETAILED INCOME AND EXPENDITURE ACCOUNT

	2023		2022	
	£	£	£	£
<b>INCOME</b>				
Coffee Morning sales				
Donations	607		-	
Frome Festival	-		2,000	
Hire of church hall	422		-	
Interest receivable	330		-	
Knit & Natter sales	887		9,002	
Use of guest room	1,085		180	
Utilities	578		80	
WMC	38,330		34,587	
	83,705		72,884	
		<u>125,944</u>		<u>118,733</u>
<b>EXPENDITURE</b>				
Coffee Morning expenses	782		-	
Fiat 21 update	504		5,376	
Frome Festival costs	22		-	
Parties and gifts	317		335	
Residents support	1,298		1,034	
Repairs and maintenance	42,526		40,924	
Utilities	17,632		17,587	
Rates	7,330		3,359	
Tools and equipment	329		1,488	
Salaries and wages	44,306		29,769	
Staff costs	435		176	
Office costs	8,858		5,223	
Insurance	4,443		4,151	
Travel and subsistence	260		1,418	
Accountancy, legal and professional	3,109		4,991	
Health and safety	2,522		1,664	
Subscriptions	598		570	
Bank charges	74		97	
Advertising & PR	80		540	
Sundry expenses	1,026		(3,383)	
		<u>136,450</u>		<u>115,320</u>
Net gains/(losses) on investments		(11,087)		9,457
<b>OPERATING SURPLUS/(DEFICIT) FOR THE YEAR</b>		<u>(21,594)</u>		<u>12,870</u>