

Charity Number 1171378
Company Number 10581820

CALEB LOVEJOY'S ALMSHOUSE CHARITY
(A COMPANY LIMITED BY GUARANTEE)
UNAUDITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2020

CALEB LOVEJOY'S ALMSHOUSE CHARITY
(A COMPANY LIMITED BY GUARANTEE)
YEAR ENDED 31ST DECEMBER 2020

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**CALEB LOVEJOY'S ALMSHOUSE CHARITY
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION**

CHARITY NO: 1171378

COMPANY NO: 10581820

PATRON: Mr Michael More-Molyneux, HM Lord-Lieutenant of Surrey

**TRUSTEES
& DIRECTORS:** Mr Roger Musson (Chairman)
Mr Michael Chastell
Mrs Angela Goodwin
Ms Christine Hetherington
Mr Gordon Reid

Canon Andrew Norman (retired 23rd October 2020)

Manager & Clerk to the Trustees:

Mrs Valerie Richards (appointed 5th October 2020)
Mrs Emma Tidy (resigned 4th October 2020)

Finance Manager Mrs Emma Tidy (appointed 5th October 2020)

Registered Office: The Oriel, Sydenham Road
Guildford, Surrey GU1 3SR

Principal Office: Stoke Hospital Office
92 Stoke Road
Guildford, Surrey GU1 4JH

PROFESSIONAL ADVISERS

The following acted for the Charity in their capacity as:

Bankers: Lloyds Bank PLC
147 High Street
Guildford, Surrey GU1 3AG

Independent Examiner: D L Griffin, FCA
Moore (South) LLP
Priory House, Pilgrims Court, Sydenham Road
Guildford, Surrey GU1 3RX

Investment Providers: M&G
P O Box 9038
Chelmsford CM99 2XF

Solicitors:	Barlow Robbins LLP	Third Sector Law Ltd
	The Oriel, Sydenham Road	240 Shinfield Road
	Guildford, Surrey GU1 3SR	Reading, Berks RG2 8EX

**CALEB LOVEJOY'S ALMSHOUSE CHARITY
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES**

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The Trustees' report and the financial statements of Caleb Lovejoy's Almshouse Charity for the year ended 31st December 2020 are set out on the following pages.

History, objectives and activities for the public benefit

Caleb Lovejoy founded this almshouse charity in the 17th century. He was born near St. Nicolas' Church in Guildford and became a wealthy merchant, partly through supplying wagons to Oliver Cromwell's army during the Civil War.

The principal object of the Charity is to provide accommodation for four persons of good character, in need and with a strong connection with the Borough of Guildford.

When planning the activities for the year, the Trustees have considered the Charity Commission's guidance on public benefit and are satisfied that the work of the Charity accords with its stated objects and provides public benefit to a section of those who reside within the Charity's area of benefit.

As described above the criteria used to assess those who may benefit are not unreasonably restrictive.

Management, governance arrangements, appointment of Trustees and induction

Caleb Lovejoy's Almshouse Charity is a company limited by guarantee with registration number 10581820 and Charity Commission registration number 1171378.

The assets and liabilities, except those relating to the Permanent Endowment Fund are held by the company. Under Charities Act legislation the Permanent Endowment Fund has to be kept in the original unincorporated charity. This unincorporated charity, Caleb Lovejoy is linked to the charitable company and has charity number 1171378-1. These accounts incorporate the results of both Caleb Lovejoy's Almshouse Charity and Caleb Lovejoy.

Caleb Lovejoy's Almshouse Charity is the sole corporate Trustee of the unincorporated charity.

The Charity's constitution provides for it to be administered by a body of Trustees of whom four are nominated by the Parish Council of Artington, with others appointed by the existing Trustees. Upon appointment the Trustees are given an induction pack, including a copy of the Charity Commission leaflet CC3, "Responsibilities of Charity Trustees", and copies of all policies and procedures.

The Trustees (who are Directors of the company) are responsible for running the organisation and during the period they delegate day-to-day responsibility to the Manager and Clerk to the Trustees. On 5th October 2020, the role of the Manager and Clerk was split with the financial management duties being performed from that date by a newly created position of Finance Manager.

The Trustees were pleased firstly to welcome Valerie Richards as Manager and Clerk on 5th October, and secondly to report that Emma Tidy assumed the role of Finance Manager on that date. The Trustees wish to record their appreciation and thanks to Emma for serving as Manager and Clerk for most of 2020. During this time, in addition to the day to day operations, she successfully managed the refurbishment and unforeseen roof repairs at Cottage 5, the challenges of which were compounded by the Covid-19 pandemic.

The names of the Trustees who have held office during the year and since the year end are set out on page 1. Canon Andrew Norman retired on 23rd October 2020. The Trustees would like to record their gratitude to Andrew Norman for his valuable contribution to the Charity during his many years in office.

Financial Review

The accounts have been prepared in accordance with the accounting policies set out on pages 12 to 14.

Unrestricted Funds

The Charity had an excess of income over expenditure for the year on the current activities (unrestricted funds), before the revaluation of investments, of £6,365 compared with an excess of expenditure over income of £14,510 in the previous year. Income receivable of £34,753 (2019- £35,467) was slightly lower than the previous year due to larger than usual void period whilst repairs were undertaken. The result for the year was negatively affected by a delay to reoccupation of the refurbished vacant cottage, partly caused the Covid-19 pandemic. The market value of investments decreased during the year by £3,389 (2019 – increased by £5,581). This was in line with the fall in world markets.

Restricted Funds

During the year the Charity received two grants totalling £10,000 (2019 - £Nil) for the refurbishment and roof repairs of one of the Charity's cottages. The monies were all spent in the year.

Permanent Endowment

The Permanent Endowment consists of four freehold cottages which have no known historical cost. Only the improvements are shown in the balance sheet. Depreciation of property improvements of £91 (2019 - £91) is chargeable to the Permanent Endowment Fund. The Permanent Endowment Fund decreased over the period by £91 to £2,616 (2019 - £2,707).

Total Funds (including gains and losses on investments)

The Charity had a net excess of income over expenditure for the year on all activities (both funds) before the revaluation of investments of £6,274 compared with an excess of expenditure over income of £14,601 in the previous year.

The market value of investments decreased by £3,389 (2019 – increased by £5,581) resulting in an overall surplus for the year of £2,885 (2019 – £9,020 deficit). Net assets at 31st December 2020 totalled £60,811 compared with £57,926 at 31st December 2019.

Investment Policy

The Charity's policy is to invest funds at a medium risk with the aim of retaining the value of its funds. The Trustees believe they have achieved this during the year. Investments are included at mid-market value. The Charity's reserves were held against possible future expenditure in accordance with Almshouse Association policy and transferred between funds in accordance with this policy.

Reserves Policy, Restricted and Unrestricted Funds

The Charity has two main funds:

1 Permanent Endowment Fund

The capital of the Permanent Endowment Fund may not be spent. The fund relates to the cost of the improvements. The depreciation charge each year is charged to this fund so the fund balance equals the capital value.

Reserves Policy, Restricted and Unrestricted Funds (continued)

2 Restricted Funds

Restricted funds comprise those funds which are to be used in accordance with the wishes of the donor.

3 Unrestricted Funds

Unrestricted funds comprise those funds which the Trustees are free to use in accordance with the charitable objects. Within unrestricted funds, there are two designated funds. At the end of each year the Trustees designate funds for future cyclical maintenance and repairs and extraordinary repairs.

The Charity aims to build reserves to cover the costs of the maintenance of the buildings, with regard to general building repairs and for the repairs noted in the Quinquennial report. A report was carried in 2016 and the Trustees have transferred amounts between the unrestricted, extraordinary repair and cyclical repair funds to ensure that sufficient funds are held in respect of the work to be undertaken. At 31st December 2020, the designated reserves for general building repairs and maintenance totalled £33,195. The cyclical repair reserves total £5,000 and extraordinary repair reserves total £20,000, which include the replacement of rear ground floor windows and an allocation towards the restoration of the front wall together with the installation of metal railings along the wall and a gate to replace those understood to have been removed during the Second World War.

Risk Management

The Trustees have examined the major strategic, business and operational risks which the Charity faces and have set up systems to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Achievements and Performance

The Charity continued to provide the main objective, namely, provision of four cottages at Bury Street, Guildford, for persons in need.

Cottage 5 has been extensively refurbished during the year following the sad passing of the resident, Mr Lawrence McRae, in February 2020. A new kitchen has been fitted and tiled, the shower room has been updated and the cottage has been fully repainted with new flooring installed throughout. During the refurbishment, an essential roof repair was identified and undertaken. A grant for £1,000 was received from the Newcombe Fund, administered by The Society for the Protection of Ancient Buildings (SPAB) towards the roof repairs and a further grant of £9,000 towards the refurbishment project was received from The Alms house Association.

The cottages continue to be maintained to a good standard.

The Quinquennial Inspection of 2016 highlighted the need to restore the low wall between the front of the property and the Bury Street pavement. As well as restoring the wall, the Trustees decided that steps should be taken to restore the original metalwork. As this is a wall of historical importance, forming part of the listed property, the Trustees enlisted the services of the Charity's architect and gained Planning and Listed Building Consent in July 2019.

The McRae family kindly donated £1,000, received partly in 2020 and partly in 2021, in memory of Mr Lawrence McRae. This will be applied towards a new metal front gate to the cottages from Bury Street following a suggestion from the family.

Achievements and Performance (continued)

Listed Building Consent has also been received for the replacement of the single glazed crittall metal windows with double glazed white powder-coated aluminium windows to the rear groundfloor of the cottages.

Grants and Donation

The Trustees wish to record their thanks for the grants and donation received from the Society for the Protection of Ancient Buildings, the Almshouse Association and the McRae family. The receipt of these funds is a great help towards the upkeep of the Charity's listed building.

The Trustees agreed to increase the maintenance charge from 1st January 2021 by £0.74 per week to £839.15 per calendar month.

The Trustees continue to take steps to recover maintenance charge payments arrears due by a former resident, who has been unable to realise an interest in a jointly-owned freehold property, understood to be sufficient to cover the total amount outstanding. On 18th January 2016, a County Court Judgement ("CCJ") was obtained for £15,214, which includes interest and legal costs, and attracts interest at 8% per annum. The Trustees obtained a second charge over the freehold property, ranking after the mortgagee, as security. In addition, receipt of maintenance charges due from this resident ceased again in September 2017 and the resident remained in possession until February 2019 despite giving notice in June 2018.

On 29th January 2019, a second CCJ was obtained for £14,356 plus costs and interest at 3% per annum and repossession of the cottage by the Charity was granted. An application has been made to the Court to add the debt secured by the second CCJ to the amount secured by the restriction against dealings recorded on the debtor's registered title.

The former resident has represented to the trustees that all outstanding charges will be paid from the proceeds of sale of this freehold property. No value has been attributed in these financial statements to any of the outstanding debt due from this former resident amounting in total to some £50,000, including interest and costs, as its realization is likely to be dependent on the sale of the property, the timing and proceeds of which cannot be determined.

Reception

In accordance with the government Covid-19 restrictions, it was not possible to hold the Annual Reception in its usual form. To celebrate Andrew Norman's time as Trustee as well as the life of the Charity's founder, Caleb Lovejoy, a gathering of six people including Andrew Norman and Roger Musson, was held at Orange Court, Littleton kindly hosted by the Patron of the Charity, Mr Michael More-Molyneux and Mrs More-Molyneux. The Trustees wish to record their thanks and appreciation to Mr and Mrs More Molyneux for their hospitality.

Future Plans

The Caleb Lovejoy cottages are found in a Grade II listed building in Bury Street, Guildford. The Trustees intend to continue to implement the recommendations of the Quinquennial Report of January 2016 and to undertake a further Quinquennial survey of the fabric of the building in 2021.

Achievement of Objectives

The Trustees consider that within the confines of its constitution, building and site they continue to carry out the Charity's objectives.

**CALEB LOVEJOY'S ALMSHOUSE CHARITY
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES**

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Trustees' responsibilities in relation to the Financial Statements

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

Company law requires the Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of incoming resources and application of resources, including income and expenditure, of the charitable company 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 2019 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

The report has been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102. The Trustees have taken the exemptions permitted by section 1A. In preparing this report the Trustees have taken advantage of the small companies exemptions provided by Section 415A of the Companies Act 2006.

This annual report was approved by the Board of Directors and Trustees on 9th April 2021 and signed on their behalf by:

Roger Musson

Chairman of the Trustees

Christine Hetherington

Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
CALEB LOVEJOY'S ALMSHOUSE CHARITY
(A COMPANY LIMITED BY GUARANTEE)**

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I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31st December 2020 which are set out on pages 8 to 20.

Responsibilities and basis of report

As the charity trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.

D L Griffin, FCA

Date 9 April 2021

Moore (South) LLP
Chartered Accountants
Priory House
Pilgrims Court
Sydenham Road
Guildford GU1 3RX

**CALEB LOVEJOY'S ALMSHOUSE CHARITY
(A COMPANY LIMITED BY GUARANTEE)**

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**GROUP STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR
ENDED 31ST DECEMBER 2020**

		UNRESTRICTED FUNDS	RESTRICTED FUNDS	PERMANENT ENDOWMENT FUND	TOTAL FUNDS	TOTAL FUNDS
	<u>Notes</u>	<u>2020</u>	<u>2020</u>	<u>2020</u>	<u>2020</u>	<u>2019</u>
		£	£	£	£	£
INCOME AND ENDOWMENTS FROM:						
Charitable activities						
- Maintenance contributions and other charges		32,552	-	-	32,552	33,460
- Donations & Grants	3	335	10,000	-	10,335	193
Investments	4	1,866	-	-	1,866	1,814
TOTAL INCOME		34,753	10,000	-	44,753	35,467
EXPENDITURE						
Charitable activities	5	27,128	10,000	91	37,219	48,394
Other costs	6	1,260	-	-	1,260	1,674
TOTAL EXPENDITURE		28,388	10,000	91	38,479	50,068
NET INCOME/(DEFICIT)		6,365	-	(91)	6,274	(14,601)
UNREALISED (LOSS)/GAIN ON INVESTMENTS	11	(3,389)	-	-	(3,389)	5,581
NET MOVEMENTS IN FUNDS		2,976	-	(91)	2,885	(9,020)
RECONCILIATION OF FUNDS						
Total funds brought forward		55,219	-	2,707	57,926	66,946
TOTAL FUNDS CARRIED FORWARD		58,195	-	2,616	60,811	57,926

The Statement of Financial Activities incorporates the Statement of Total Recognised Gains and Losses.
The notes on pages 12 to 20 form part of these financial statements

CALEB LOVEJOY'S ALMSHOUSE CHARITY
(A COMPANY LIMITED BY GUARANTEE)
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2020

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	2020	2019
	£	£
Income	44,753	41,048
Expenditure	<u>(41,777)</u>	<u>(49,977)</u>
Net	<u>2,976</u>	<u>(8,929)</u>

CALEB LOVEJOY'S ALMSHOUSE CHARITY
(A COMPANY LIMITED BY GUARANTEE)
GROUP BALANCE SHEET FOR THE YEAR ENDED 31ST DECEMBER 2020

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		UNRESTRICTED FUNDS	PERMANENT ENDOWMENT & RESTRICTED	TOTAL FUNDS	TOTAL FUNDS
	<u>Notes</u>	<u>2020</u>	<u>2020</u>	<u>2020</u>	<u>2019</u>
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	9	-	2,616	2,616	2,707
		-----	-----	-----	-----
		-	2,616	2,616	2,707
		-----	-----	-----	-----
CURRENT ASSETS					
Debtors	10	1,642	-	1,642	1,253
Investments	11	46,389	-	46,389	47,914
Cash at bank		18,841	-	18,841	15,581
		-----	-----	-----	-----
		66,872	-	66,872	64,748
		-----	-----	-----	-----
CREDITORS: Amounts falling due within one year	12	(8,677)	-	(8,677)	(9,529)
		-----	-----	-----	-----
NET CURRENT ASSETS		58,195	-	58,195	55,219
		-----	-----	-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		58,195	2,616	60,811	57,926
		-----	-----	-----	-----
NET ASSETS		58,195	2,616	60,811	57,926
		=====	=====	=====	=====
UNRESTRICTED FUNDS					
General & Repair Funds	15	58,195	-	58,195	55,219
RESTRICTED FUNDS					
Endowment Fund	15	-	2,616	2,616	2,707
Refurbishment Grants	15	-	-	-	-
		-----	-----	-----	-----
		58,195	2,616	60,811	57,926
		=====	=====	=====	=====

**CALEB LOVEJOY'S ALMSHOUSE CHARITY
(A COMPANY LIMITED BY GUARANTEE)
GROUP BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2020**

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For the financial year ended 31st December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Trustees' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Charities Statement of Recommended Practice and Financial Reporting Standard 102 Section 1A.

The financial statements were approved by the Trustees and signed on their behalf by:

Roger Musson

Chairman of the Trustees

Christine Hetherington

Trustee

Company Number: 10581820

The notes on pages 12 to 20 form part of these financial statements

1. Accounting Policies

a. Company status

The company is a company limited by guarantee and was incorporated in England and Wales. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company. The address of the registered office is given on page 1 of these financial statements.

b. Basis of Preparation

The financial statements have been prepared in accordance with 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 FRS102 section 1A, the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include investments at market value. The financial statements are prepared in sterling which is the functional currency, and have been rounded to the nearest pound.

The charitable company meets the definition of a public benefit entity under FRS102.

c. Group accounts

The accounts incorporate the results of Caleb Lovejoy's Almshouse Charity (Charity number 1171378) and its linked Charity Caleb Lovejoy (linked Charity number 1171378-1).

d. Going concern

The financial statements have been prepared on a going concern basis, however the nature of the Charity means that forecast future income cannot be determined with any certainty, as the Charity is reliant upon receiving sufficient income to meet its obligations by providing accommodation to people in accordance with its objectives.

e. Income

Maintenance contributions and other charges receivable are accounted for in the year in which the Charity is entitled to receipt.

Other income is accounted for when the charity is entitled to receipt.

Investment income is accounted for in the period the Charity is entitled to receipt.

f. Expenditure

All expenditure is accounted for on an accruals basis and includes irrecoverable VAT. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties. It is probable that the settlement will be required and the obligation can be measured reliably.

- Expenditure on charitable activities is charged to the revenue account in the year in which it is incurred, except the costs of extraordinary repairs, which if they represent improvements to the properties are capitalised.
- Other expenses are charged to the revenue account in the year in which they are incurred.

1. Accounting Policies (continued)

g. Allocation of support costs

Costs are allocated to the particular activity where the costs relate directly to that activity. As there is only one activity all support costs have been allocated to charitable activities.

h. Tangible fixed assets

Fixed assets are stated at historical cost less depreciation. The original building has no known historical cost and only the improvements are shown in the balance sheet.

Depreciation is provided on all tangible fixed assets, at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Improvements to property - 2% straight line.

i. Debtors

Debtors are recognised at the settlement amount due, less a provision for doubtful debts. Prepayments are valued at the amount prepaid at the balance sheet date.

j. Current Asset Investments

Current asset investments have been valued at mid-market value at the balance sheet date. Unrealised and realised gains and losses are shown in the Statement of Financial Activities.

k. Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

l. Creditors

Creditors and provisions are recognised where 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. Creditors are recognised at their settlement amount.

m. 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.

n. Funds

Permanent endowment fund

The Permanent Endowment Fund is held by the linked charity, Caleb Lovejoy. These are funds, the capital of which cannot be spent but are to be invested to generate income. Costs which can be offset against the permanent endowment fund include the costs of maintaining the capital element of the endowment fund, gains and losses on disposal of the assets, unrealised gains and losses and similar charges.

Unrestricted funds

Unrestricted funds comprise those funds which the Trustees are free to use in accordance with the charitable objects. At the end of each year the Trustees designate funds for future cyclical maintenance and repairs and extraordinary repairs.

1. Accounting Policies (continued)

n. Funds (continued)

Restricted funds

Restricted funds comprise those funds which are to be used in accordance with the wishes of the donor.

2. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of its accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 ongoing basis. Revisions to accounting estimates are recognised in the period which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3. DONATIONS & GRANTS

	Unrestricted Funds	Restricted Funds	2020	2019
	£	£	£	£
Donations	335	-	335	193
Grants	-	10,000	10,000	-
	<u>335</u>	<u>10,000</u>	<u>10,335</u>	<u>193</u>

All donations & grants received in 2019 were unrestricted.

4. INVESTMENT INCOME

	Unrestricted Funds	Restricted Funds	2020	2019
	£	£	£	£
Investment income - listed	1,864	-	1,864	1,810
Investment income - interest	<u>2</u>	<u>-</u>	<u>2</u>	<u>4</u>
Total	<u>1,866</u>	<u>-</u>	<u>1,866</u>	<u>1,814</u>

All investment income received in 2019 was unrestricted.

5. EXPENDITURE

	Unrestricted Funds £	Restricted Funds £	2020 £	2019 £
Charitable activities				
Water charges	1,003	-	1,003	971
Property insurance	898	-	898	1,058
Telephone	1,681	-	1,681	1,137
Emergency communication system	949	-	949	694
Heating, hot water, electricity	2,907	-	2,907	2,351
Extraordinary maintenance and repairs	590	9,926	10,516	12,709
Cyclical maintenance and repairs	4,712	74	4,786	10,394
Day to day maintenance	3,277	-	3,277	3,308
Manager & Clerk and Finance Manager	8,204	-	8,204	6,292
Subscriptions	140	-	140	133
Data protection	70	-	70	35
Printing and office expenses	946	-	946	796
Miscellaneous expenses	33	-	33	1,183
Provision against unpaid maintenance charges	-	-	-	1,201
Professional services/legal fees	1,7818	-	1,718	6,041
	<u>27,128</u>	<u>10,000</u>	<u>37,128</u>	<u>48,303</u>
Permanent Endowment				
Depreciation	91	-	91	91
Total expenditure on charitable activities	<u>27,219</u>	<u>10,000</u>	<u>37,219</u>	<u>48,394</u>

All charitable expenditure in 2019 was unrestricted.

6. OTHER COSTS

	Unrestricted Funds £	Restricted Funds £	2020 £	2019 £
Independent examination	1,260	-	1,260	1,200
Prior year under accrual	-	-	-	474
Total	<u>1,260</u>	<u>-</u>	<u>1,260</u>	<u>1,674</u>

All other costs in 2019 were unrestricted.

7. TRUSTEES' REMUNERATION

No Trustee received any remuneration, or was reimbursed for any expenses during the year (2019- Nil).

8. EMPLOYEES

There was one employee during the year (2019 - Nil).

9. TANGIBLE FIXED ASSETS

	Freehold Improvements	Total
	£	£
Permanent Endowment:		
Cost at 1 st January 2020 and 31 st December 2020	<u>4,527</u>	<u>4,527</u>
Depreciation:		
Balance brought forward at 1 st January 2020	1,820	1,820
Charge for the year	<u>91</u>	<u>91</u>
Balance at 31 st December 2020	<u>1,911</u>	<u>1,911</u>
Net Book Value:		
31 st December 2020	<u>2,616</u>	<u>2,616</u>
31 st December 2019	<u>2,707</u>	<u>2,707</u>

The four cottages have no known historical cost. However in 2020 the total sum insured based on their estimated building replacement cost was £1,016,500 (2019 - £978,835).

10. DEBTORS

	2020 £	2019 £
Amounts receivable within one year:		
Trade Debtors	749	241
Prepayments	893	1,012
	<u>1,642</u>	<u>1,253</u>

All debtors relate to the unrestricted funds.

11. INVESTMENTS

M&G Charity Multi Asset Fund	2020 £	2019 £
As at 1 st January	47,914	40,523
Dividends reinvested	1,864	1,810
Revalued in year	(3,389)	5,581
As at 31 st December	<u>46,389</u>	<u>47,914</u>

All investments relate to unrestricted funds.

12. CREDITORS

Amounts falling due within one year:	2020 £	2019 £
Trade Creditors	-	440
Accruals	8,238	8,621
Other Social Security Costs	96	-
Deferred Income	343	468
	<u>8,677</u>	<u>9,529</u>

All creditors relate to unrestricted funds

13. CONTINGENT ASSET

In respect of maintenance charge payments in arrears due by a former resident, the Charity obtained a County Court Judgement ("CCJ") for £15,214 on 18th January 2016. This amount includes interest to that date and legal costs, and attracts further interest at 8% per annum. The Trustees have obtained a second charge over the freehold property, ranking after the mortgagee, as security.

On 29th January 2019, a second CCJ was obtained for further maintenance payments in arrears due from the same former resident of £14,356 plus costs and interest at 3% per annum, and repossession of the cottage by the Charity was granted. An application has been made to the Court to add the debt secured by the second CCJ to the amount secured by the restriction against dealings recorded on the debtor's registered title.

The former resident has represented to the Trustees that the amount will be paid when an interest in a jointly-owned freehold property, understood to cover the total amount outstanding is realised. No value has been attributed in these financial statements to any of the debt outstanding due from this former resident amounting in total to some £50,000, including interest and costs, as its realization is likely to be dependent on the sale of the property, the timing and proceeds of which cannot be determined. Provision has been made against the outstanding maintenance charges due up to February 2019 when the property was vacated.

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14. RESERVES

	Balance at 1 Jan 2020 £	Income £	Expenditure £	Transfers £	Loss on revaluations of investments £	Balance at 31 Dec 2020 £
Permanent endowment fund						
Grants received for improvements 1964	2,707	-	-	(91)	-	2,616
Restricted funds						
Grants for refurbishment	-	10,000	(10,000)	-	-	-
Unrestricted:						
General	30,219	32,887	(23,178)	(6,733)	-	33,195
Extraordinary repair fund	19,000	1,418	(5,227)	7,385	(2,576)	20,000
Cyclical repair fund	6,000	448	(74)	(561)	(813)	5,000
	55,219	34,753	(28,479)	91	(3,389)	58,195
	57,926	44,753	(38,479)	-	(3,389)	60,811
Prior year information						
	Balance at 1 Jan 2019 £	Income £	Expenditure £	Transfers £	Gain on revaluations of investments £	Balance at 31 Dec 2019 £
Permanent endowment fund						
Grants received for improvements 1964	2,798	-	(91)	-	-	2,707
Unrestricted:						
General	31,148	33,652	(26,874)	(7,707)	-	30,219
Extraordinary repair fund	23,000	1,270	(12,709)	3,532	3,907	19,000
Cyclical repair fund	10,000	545	(10,394)	4,175	1,674	6,000
	64,148	35,467	(49,977)	-	5,581	55,219
	66,946	35,467	(50,068)	-	5,581	57,926

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15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Grants received in 1964 for improvements (Restricted)	Extra- ordinary repair fund	Cyclical repair fund	Revenue reserve	Total
	£	£	£	£	£
Permanent Endowment Fund					
Tangible fixed assets	<u>2,616</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,616</u>
Unrestricted funds					
Investments	-	20,000	5,000	21,389	46,389
Cash at bank	-	-	-	8,841	18,841
Debtors	-	-	-	1,642	1,642
Creditors	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,677)</u>	<u>(8,677)</u>
	<u>-</u>	<u>20,000</u>	<u>5,000</u>	<u>3,195</u>	<u>58,195</u>
	<u>2,616</u>	<u>20,000</u>	<u>5,000</u>	<u>3,195</u>	<u>60,811</u>

Prior year information

	Grants received for improvements (1964) (Restricted)	Extra- ordinary repair fund	Cyclical repair fund	Revenue reserve	Total
	£	£	£	£	£
Permanent Endowment Fund					
Tangible fixed assets	<u>2,707</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,707</u>
Unrestricted funds					
Investments	-	19,000	6,000	22,914	47,914
Cash at bank	-	-	-	15,581	15,581
Debtors	-	-	-	1,253	1,253
Creditors	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,529)</u>	<u>(9,529)</u>
	<u>-</u>	<u>19,000</u>	<u>6,000</u>	<u>30,219</u>	<u>55,219</u>
	<u>2,707</u>	<u>19,000</u>	<u>6,000</u>	<u>30,219</u>	<u>57,926</u>

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

Permanent Endowment Fund

The Permanent Endowment Fund is held by the linked charity, Caleb Lovejoy. These are funds, the capital of which cannot be spent but are to be invested to generate income. Costs which can be offset against the Permanent Endowment Fund include the costs of maintaining the capital element of the endowment fund, gains and losses on disposal of the assets, unrealised gains and losses and similar charges.

Restricted Fund

The Charity received grants in the year to be used for the roof repairs and the refurbishment of Cottage 5. The funds were fully spent in the year.

Unrestricted Funds (general)

These are available for the trustees to use in accordance with the charitable objectives of the Charity.

Designated Funds

- Grants received for improvements (1964)
The only movement in this fund is the offset of the depreciation charge for the year. The balance at each year end is equivalent to balance on fixed asset for freehold improvements.
- Extraordinary repair fund and cyclical repair fund
The transfer into the funds each year are based upon the minimum amounts recommended by the Almshouse Association.

The income from and revaluation from investments is allocated between the extraordinary repair fund and the cyclical repair fund each year, based upon the value of their respective opening reserves.

The funds are maintained to ensure the Charity has sufficient reserves for planned improvements and the matters identified in the Quinquennial report on the fabric of the building.

16. RELATED PARTY TRANSACTIONS

There were no outstanding balances at the year end. (£nil in 2019)

17. CONTROLLING PARTY

There is no controlling party.