

William Lovett's Almshouse Charity - charitable incorporated organisation no 1187392

Annual accounts and report for year ending 31st December 2021

Current account opening balance at 1st January 2021

£14,637.21

<u>Income</u>	<u>Actual</u>	<u>Budget</u>	<u>Routine expenditure</u>	<u>Actual</u>	<u>Budget</u>
Weekly maintenance contributions <i>(see note 1 below)</i>	24,380.62	24,596.00	Clerk's salary	5,304.00	3,168.00
Dividends from M&G Charifund investment	913.50	900.00	Grounds maintenance	1,378.17	1,724.00
Field rent <i>(see note 2 below)</i>	280.00	490.00	Insurance <i>(buildings and trustee indemnity)</i>	1,141.85	1,098.00
Annual allotments rent from West Haddon PC	180.00	180.00	Water charges	757.30	832.00
Annual payment <i>(M Stanton) (see note 3 below)</i>	109.20	109.20	Houses maintenance	639.85	760.00
Compensation for loss of field rent <i>(see note 2 below)</i>	250.00	0.00	Annual servicing of gas boilers	432.00	440.00
Refund for overpaid TV licence <i>(see note 4 below)</i>	37.50	0.00	Window cleaning	220.00	220.00
Donations received at parish picnic 12/09/21	38.00	0.00	Field maintenance	191.30	630.00
			Almshouse Association membership	182.00	182.00
			Landlord's electricity supply <i>(outside lights & smoke detectors)</i>	163.14	156.00
			Office, stationery & postage	137.03	130.00
			Mileage and parking	61.20	70.00
			Hire of village hall & Baptist hall for trustees meetings	48.00	100.00
			Environment Agency <i>(drainage charges)</i>	30.74	31.00
			Miscellaneous	18.49	25.00
			TV licences <i>(see note 4 below)</i>	7.50	45.00
				<u>10,712.57</u>	<u>9,611.00</u>
			<u>Expenditure on new almshouses project</u>		
			Architect <i>(stage payments)</i>	4,483.20	0.00
			Almshouse Consortium joining fee	1,500.00	0.00
			Almshouses valuation fee	156.00	0.00
				<u>6,139.20</u>	<u>0.00</u>
			<u>Expenditure on woodland project <i>(see note 5 below)</i></u>		
			Oakbank Ltd., project consultancy	1,800.00	0.00
			North Northants Council, statutory fee payable	70.00	0.00
				<u>1,870.00</u>	<u>0.00</u>
Total income	26,188.82	26,275.20	Total expenditure	18,721.77	9,611.00
variance to budget	-86.38		variance to budget (routine expenditure) <i>(see note 6 below)</i>	1,101.57	

Current account closing balance at 31st December 2021

£22,104.26

Notes regarding income and expenditure:

1. The variance to budget on WMCs is due to timing differences on payments of housing benefit on behalf of one of the residents, and to a late payment received after year end.
2. Because of electrical infrastructure work carried out by Western Power in the field, rent was less than usual, but compensation from Western Power covered this.
3. The payment by M Stanton is in respect of the original trust deed for the almshouses, whereby 2 guineas per week (£2.10p) is payable by the owner of West Haddon Grange, in perpetuity, but is not indexed (this payment is based on 3 shillings and 6 pence each per week, for the 12 original residents).
4. The refund of TV licence charges was due to a misunderstanding of the cost of a concessionary licence: this is £7.50 in total, not per house, hence the overpayment in 2020 and the inaccurate budget amount for 2021.
5. The woodland project plans to plant part of the field adjacent to the almshouses with trees, as a "re-wilding" initiative, with the intention of creating a village amenity for the future. Some grants are available for this work, which will cover initial and some ongoing costs. At this stage no money has been received, although two grants have been confirmed.
6. The only significant variance to budget is in respect of the clerk's salary, where the trustees agreed a further adjustment, to take account of the extra workload involved in the new almshouses project (see also note 2 below).

Reserve account balances at 31st December 2021

COIF Charities Investment Fund	76,554.65	The value of this account rose by 17.4% during 2021, no dividends are payable
M&G Charifund investment account	19,210.70	The value of this account rose by 13.4% during 2021: dividends were 4.8% of year end value
Virgin Money savings account	35,715.49	The value of this account was not restated during 2021: current interest rate on this account is 0.10%
Total reserves at 31st December 2021	£131,480.84	(£117,875.65 at the end of 2020)

Notes to the accounts:

1. The loan of £2000 made to West Haddon Charities during 2019 remains outstanding, with the agreement being that it would be repaid once the other charity has been able to sell some of the land it owns. Registration of absolute title has now been received for this land, and the trustees will decide during 2022 how to proceed with regard to this land. This loan is not shown as a current asset.

2. The clerk is the only person paid for their work with the charity, and he operates under a letter of engagement, combined with a job description. The clerk represents approximately one fifth of a full time equivalent member of staff, he is paid gross and declares his income in full to HMRC as a self-employed person. No national insurance or pension contributions are required from the charity, as the clerk is past statutory retirement age. The agreement with the trustees is that his salary will be increased each year by the same amount as the WMC is increased, and this ensures that the salary remains competitive, and should enable the recruitment of a replacement as and when the clerk decides to stand down.

Report:

The charity continued in its primary activity of managing 6 almshouses for the benefit of older residents of the village of West Haddon, who are also of limited financial means. The trustees raised the weekly maintenance contribution from £76 per week to £78 per week in January, continuing the policy of revising the WMC annually, whilst remaining below the Equivalent Fair Rent for this type of property. The future formula for WMC increases will be CPI+1%, as approved by the Regulator of Social Housing.

The full application for the charity to become a registered provider of social housing was submitted to the Regulator of Social Housing in January 2021. This process is a long and involved one, and there has been much subsequent correspondence, and two video meetings have been held with the Regulator during the year. At the time of writing the process is stalled, until planning approval is granted.

The application for planning permission for the six new almshouses was submitted to the then Daventry District Council on 23rd November 2020, and was registered by them on 23rd December 2020. Subsequently the council has become part of West Northamptonshire Council. The application process has been ongoing since then, and communication from the planning officer in the latter part of last year indicated that the planning approval would be issued on 22nd November 2021, but at the time of writing it is still awaited. Various late queries are still being addressed, but it is expected that approval will be granted early in 2022.

During the year the charity enjoyed a good cash flow from its activities, which enabled it to continue to fund some ongoing initial costs in relation to the new almshouses project, without recourse to any of its reserves. The value of reserves increased by a worthwhile amount during the course of the year, a direct result of strong global stock market performance. The cash balance held in the Virgin Money account was left where it is, despite the very low rate of interest, as it is expected that this will be utilised during the early stages of the new almshouses development, which will commence as soon as planning permission is granted.

A further project was initiated during the year, and this concerns plans to plant the lower portion of the field adjacent to the almshouses as a piece of new woodland, as a village amenity for the future. This is in keeping with national efforts to "re-wild" areas of land where this is appropriate, and the trustees take the view that this is a worthwhile purpose, particularly given that returns from renting this land are negative or marginal at best. Grants are available for this purpose, and the trustees have been both active and successful in pursuing grant opportunities, although no money has yet been received. The initial costs of this project are shown above, and have been funded from cash flow.

All existing trustees remained in post throughout the year, and a new trustee with specific skills that will be utilised during the new almshouses project has now joined the board, bringing the board up to its full complement of eight.

This annual report and accounts was completed on 17th January 2022 and is un-examined at this time

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Independent examiner's report to the trustees of William Lovett's Almshouse Charity Charitable Incorporated Organisation (the CIO)

I report to the trustees on my examination of the accounts of the CIO for the year ended 31 December 2021.

Responsibilities and basis of report

As the charity trustees of the CIO you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust'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 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no material 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 Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records.

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.

With the project to build new Almshouses and the increased expenditure that this will lead to, the trustees have already increased the controls and checks on payments that are made. A regular review of the control processes should continue, including documenting the policy on purchases and payments.

Signed: 

Name: Karen Randall, ACMA

Relevant professional qualification or membership of professional bodies (if any): CIMA

Address: 3 Slyes Close, West Haddon, Northants, NN6 7AZ

Date: 20th February 2022