

The E. Hayes Dashwood Foundation

Trustees' Report and Financial Statements for the year ended 31 December 2022

Registered Charity Number: 1189334

The E. Hayes Dashwood Foundation

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The E. Hayes Dashwood Foundation

LEGAL AND ADMINISTRATIVE DETAILS

Trustees & Governors:

Vice-Admiral Sir Tom Blackburn KCVO CB	Trustee - also Chairman.
Major General Bryan Dutton CB CBE +	Trustee
Colonel Louise Green +	Trustee
Commodore Annette Picton MBE RN*	Trustee
Captain Colin Stewart LVO	Trustee
Lt. Colonel Nick Tuck*	Trustee
Commodore Bill Walworth CBE RFA+	Trustee
Lt. Colonel Jonny Lowe MBE.*	Trustee
Captain Tim Martin OBE RN	Trustee
Professor Michael Almond FRCP*	Trustee
Commodore Richard Harris	Trustee, appointed 28 September 2023

+ denotes membership of the Building Committee.

* denotes membership of the Housing Management Committee.

The Trustees for most purposes of charity law and throughout this report are collectively referred to as the Board.

Foundation Director:	Nicholas Murray Esq. FLS
Charity number:	1189334
Principal Office:	26E Radbourne Road Balham, London, SW12 0EF
Bankers:	CAF Bank Ltd 25 Kings Hill Avenue, Kings Hill West Malling, Kent, ME19 4DQ
Surveyors:	Einar Roberts Esq Cluttons LLP
Estate Managers:	Cluttons LLP, Portman House 2 Portman Street London W1H 6DU
Solicitors:	Trowers & Hamblins LLP 3 Bunhill Row London EC1Y 8YZ
Accountants:	Charity Accounting Services Limited Suite 109 - Spaces 6 Sutton Plaza London SM1 4FS
Auditors:	Knox Cropper LLP Office Suite 1, Haslemere House, Lower Street, Haslemere Surrey, GU27 2PE

The E. Hayes Dashwood Foundation

Report of the Trustees for the year ended 31 December 2022

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2022. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "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) (effective November 2019).

CHAIRMAN'S REPORT

The Object of the Foundation remains to provide housing for former members of the armed forces and mercantile marine who have encountered a degree of disability or infirmity in their lives and require accommodation for themselves and potentially their families, in homes which are appropriate for their needs.

As in 2020 and 2021, the management of the Foundation in 2022 was influenced by the consequences of the coronavirus pandemic. Mercifully, again no beneficiary was infected by Covid19. The managing agent sustained regular visits to the estate to deal with matters for both beneficiaries and commercial tenants. The Foundation Director also made regular visits to the Estate.

When Trustees met in February to decide on the rate of the Weekly Maintenance Charge to be paid by beneficiaries for the forthcoming year, the invasion of Ukraine has just started and there was considerable uncertainty about the financial consequences. In such circumstances, Trustees decided that there should be no rise in the charge. Notwithstanding that, income was again maintained through the year and overall income was £1.59m (an increase of 8% on 2021 and expenditure £1.42m (an increase of 7% overall on 2021, with an increase of 10.6% year on year for work on the fabric of the estate).

Contractors maintained a steady programme of work on the estate and a further 11 flats were fully refurbished and 3 had less extensive refurbishment. Installation of new windows as part of the upgrading programme continued, only carrying out works in flats which were vacant and undergoing other refurbishment work. Carbon monoxide alarms were installed in all flats. Work has continued to ensure that that statutory Energy Performance Certificates (EPC) for the flats will be provided by 2027. Regulatory testing has been undertaken in homes across the Estate.

During 2021 and 2022, the cost of contractors' work (principally labour and materials) has increase by considerably more than headline inflation. Whilst inflation may fall during 2023, prices for labour and materials are unlikely to. 2023 expenditure will have to be carefully optimised so as to meet the charitable Object and continue the improvement to the fabric of the estate.

4 new beneficiaries were welcomed into the Estate during the year.

Tom Blackburn

Vice-Admiral Sir Tom Blackburn KCVO CB

Chairman

The E. Hayes Dashwood Foundation

Report of the Trustees for the year ended 31 December 2022

Structure, Governance and Management

Governing Document

The Foundation is a Charitable Incorporated Organisation and is governed by its Constitution.

The predecessor unincorporated charity was created by the late Edward Hayes Dashwood in a trust deed dated 20 November 1946 and amended by a Scheme of the Charity Commissioners dated 12 December 1978 to allow the current system of charges upon beneficiaries of its residential accommodation. It is a member of the National Association of Almshouses.

Recruitment and appointment of new trustees

The Governing Document provides that the management of the Foundation shall be under the control of a Board of Trustees, whose number shall not be more than twelve nor fewer than eight.

The Board may act in all matters within its jurisdiction notwithstanding any vacancy or vacancies so long as there are five Governors present.

The principal competencies required of members of the Board are:

- Experience of armed services or the merchant navy at a senior level
- Responsibilities and requirements of beneficial housing
- Understanding of the effects of physical and mental disability
- Senior financial and/or management control
- Experience of charity trusteeship in an appropriate sector

Each of the present Trustees meets two or more of these competencies and in the event of a vacancy it is usually the case that recommendations will be made by existing Trustees of at least one candidate who could bring the requisite skills to maintain a complete competency set and would also have time consistently to devote to the Foundation's objectives.

Appointments are subject to election by the Trustees as under the Governing Document. However, the Trustees aim to elect only candidates who have the unanimous support of the Board. In any process of bringing recommendations for candidature the Board will have regard to the declaration of the Governing Document (which is not so as to impose any obligation upon it) that candidates shall include business men with experience in trade finance or other matters or have senior management service with the Royal Navy, the Army the Royal Air Force, joint Armed Services bodies, the Mercantile Marine or charities for the benefit of armed services personnel or the Mercantile Marine. No external body is entitled to appoint a Trustee.

Although not expressly provided for in the Governing Document, women are equally eligible for any appointment and board members are keen to ensure that a suitable mix of both men and women are appointed to the board to enhance the equality and diversity aims of the Foundation.

Apart from the first charity trustees, every trustee must be appointed for a term of five years. Trustees may from time to time appoint a Chairman from among themselves to hold office for such period as they may determine.

Induction and training of new trustees

New Board members undergo a familiarisation period, which includes time visiting the Foundation's properties and meeting some of its residents. Briefings are given on the governing document, legal obligations under charity law, the financial and administrative position of the charity and the legal and practical constraints under which benevolence is operated and the housing provided. New Board members

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Report of the Trustees for the year ended 31 December 2022

also meet with colleagues on the Board, our principal professional advisors and their key staff in an informal setting.

Professional advice is sought on new issues or developments which might impact on any aspect of the charity's undertakings and the opportunity is taken for the appropriate advisor to attend before the Board to give a training brief.

Organisational structure

The Board plans to meet four times a year to decide and monitor financial and administrative policies. It also receives reports and recommendations from its Building and Housing Management Committees which are both established with defined terms of reference and a membership which is elected by the Board. Concurrently, it receives reports from its managers and other professional advisors and reviews progress and performance.

The Foundation Director (who is the sole employee) is responsible to the Board for management, administration and achieving the Board's policies and objectives.

The day-to-day management of the properties, including collection of rents and maintenance contributions and the maintenance and refurbishment requirements, is through the appointment of professional Trust Estate Managers. Appointments are usually for three-year periods and the Foundation's beneficiaries are usually consulted before any renewal or new appointment is made.

Related Parties

Whilst the Foundation has important working relationships with other charities in the Armed Forces and Mercantile Marine sectors and may receive from them grants for specific purposes from time to time, neither they nor any other agencies are deemed to be related parties.

Risk Management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance that identified risks, including fraud and error, are mitigated.

The identification of risks is a duty not only of the Board but also of the Foundation's professional appointees, particularly those whose responsibilities involve detailed or specialist knowledge of processes and procedures which the Foundation currently experiences or may experience in the broad context of its objectives. The Board also encourages its beneficiaries to consider the risks apparent from their living environment and to report if there is concern.

The Board maintains and keeps under review at least annually a risk exposure framework covering all likely classifications of risk. It details the Board's views on how various levels of risk become acceptable after the strategic management of them and the review process is to ensure that the assessments made continue to reflect the Board's view of an acceptable risk. The Board also recognises its duty to ensure that, as part of the management process, new risks are properly reported and evaluated and that the risk aspects of significant new projects are considered as part of every project appraisal. Any failure of control systems is reported to the Board for action.

The Board believes that its periodic reviews of financial management, its quarterly reviews with estate managers and its property condition inspection processes combined with appropriate insurance cover to mitigate the risks it has identified to acceptable levels.

The E. Hayes Dashwood Foundation

Report of the Trustees for the year ended 31 December 2022

Objectives and Activities

The object of the charity is to provide, maintain and regulate self-contained, unfurnished almshouse accommodation for its beneficiary class of infirm ex-Service people or those of the mercantile marine, together with their families.

The activities of the charity all relate directly to the object and are, generally, to contribute to the quality of life of the beneficiaries, their spouses and families by means of a good standard of almshouse-like provision at a cost to the beneficiary which is as low as reasonably possible and capable of being met by Housing Benefit and/or other housing allowances for those who would otherwise experience hardship.

All the Foundation's properties are situated in two predominantly residential roads lying within a conservation area in Balham, London, SW12. The properties consist of 150 flats, each having one, two or three bedrooms and a shared small garden. The Board currently designates up to 100 of these flats as almshouses for occupation at reduced cost by the beneficiaries. The balance of 50 flats not occupied by the beneficiaries is applied to residential letting either at market rates or rates appropriate to legal constraints at the time of letting for the purpose of providing income. The Foundation has, additionally, a further 25 flats which have been let on long leases and premiums on the extension of these leases constitute an occasional source of income to the Foundation.

Looking to the longer term, the Governing Document provides that the property endowed should be regarded as permanent until such time as there are no longer objects of the deed to be fulfilled.

However, the Board considers that the objects of the trust deed will continue to be very relevant for many years to come and its plans for maintenance and improvement of the endowed housing stock will continue to be on the basis of good quality materials and workmanship to enhance longevity.

Public Benefit

Reporting Requirement

During the year the Board has considered the guidance from the Charity Commission and Section 17 of the Charities Act 2011 in connection with the duty to meet and report on the public benefit in exercising their powers or duties and has had regard to that guidance in preparing this report.

Type & Scope of Public Benefit

The benefits of the Foundation's work relate directly to its Object, which is detailed on page 4 of this report.

Rent is not charged for occupation by beneficiaries as they become licensee upon disposition of an almshouse property under the Charities Act 2011. A Maintenance Contribution applies, however, and its payment is a condition of the licence to occupy. The level of Maintenance Contribution is reviewed annually by the Board informed by the guidelines of the National Association of Almshouses.

With the support of income from, primarily, residential letting and grants from other ex-Service charities it is possible for the level of Maintenance Contribution to be set significantly below the maintenance costs actually incurred. Maintenance Contributions represent a considerable measure of financial relief for the beneficiaries when compared to market rate rents.

The Foundation may assist its beneficiaries in application for Housing Benefit and/or other housing allowances in circumstances of hardship and may liaise with the local authority and relevant charities should special needs arise which a beneficiary is unable to meet unaided.

The E. Hayes Dashwood Foundation

Report of the Trustees for the year ended 31 December 2022

Opportunity for Beneficiaries

Demand for low-cost accommodation in the London area is invariably high but new appointments are, by the financial limits of the Foundation, restricted to filling vacancies occurring through the loss of an existing beneficiary. Application for appointment as a beneficiary is open nationally to any former member of the armed forces and Mercantile Seafaring veterans. In all categories, the applicant must be suffering an infirmity and capable of independent living. The infirmity may be either a physical (including sensory) or mental impairment and it does not need to have arisen during or from military or maritime service. There are no costs associated with application; travel expenses for interview in London can be met if necessary and no deposit is taken when an applicant is appointed to a property.

Balance of Benefit against Detriment

Beneficiaries will have widely differing ages, types & degrees of infirmity and social, financial and personal circumstances. However, the level of behaviour to the detriment of others in the locality is believed only to reflect that which can be expected on any small estate occupied by a diverse community. The Foundation's policies for dealing with all ranges of antisocial behaviour are notified in writing to all beneficiaries upon their appointment and again should an issue arise.

Trustees

All Trustees of the Foundation give their time voluntarily and neither they, nor parties related to them, receive benefits from the Charity. Vouched expenses of Trustees incurred exclusively in the course of their duties may, however, be reimbursed (See note 7 attaching to the Accounts).

Achievement and Performance

During the year under review the Board has:

- maintained its aim in the selection and interview of needy applicants to become beneficiaries, as vacancies arose.
- met, where possible, the welfare needs of existing beneficiaries by, for example, the provision of need- specific bathrooms or transfers to different types and sizes of property.
- strengthened its contacts with other charities in the sector and principal government agencies to help seek out the neediest applicants appropriate to this type of housing provision and improve awareness nationally of the Foundation's purposes as an almshouse charity.
- maintained a high occupancy rate in respect of all properties available for letting on Assured Shorthold Tenancies in a market where there has been a most satisfactory demand for good quality property.

Plans For The Year Ahead

The Board intends to:

- continue to liaise closely with local authority social services, housing and welfare departments particularly in the light of far-reaching changes to the structure of welfare benefits which can impact substantially on the Foundation's beneficiaries.
- continue its commitment to bringing all its properties up to a very good standard internally & externally and to continue with the works recommended in the recent property inspections within the constraint of available funds.
- continue with the project to install replacement timber framed, energy efficient and secure windows in all properties.
- continue the practice of only allocating property to a new resident that is in a good overall

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Report of the Trustees for the year ended 31 December 2022

condition and has undergone kitchen and bathroom updating if necessary as well as deep cleaning and re-decoration.

- The Board will monitor closely the impact of the Covid19 pandemic on the income and cash flow as well as the implications of sharply rising inflation. Indications are that income will hold up if the rental properties remain occupied.
- A professional survey of the Estate properties has been undertaken in relation to the prevention of any potential fire risks. The consultants noted that the roof spaces above flats are not compartmentalised and therefore there might be the possibility of the spread of fire from one block to the next. In order to overcome this potential issue it is intended to create separation in the loft spaces.

Going Concern

As detailed in the financial commentary in the trustee's annual report the Trustees, having reviewed the charity's activities and financial position consider the going concern basis of accounting to be appropriate.

Financial Review

Details of the current year's results appear in the accounts from page 12 onwards

The year's income was £1,550,172 (2021: £1,479,405) and expenditure £1,129,222 (2021: £762,412). Combined with unrealised gains on investment properties, net income amounted to £1,405,320 (2021: £877,138). Taking into account unrealised gains on housing properties for beneficiary use, the net movement in funds was £2,518,612 (2021: £1,030,166). At the end of the year total fund balance was £57,167,136 comprising unrestricted fund balance £(328,264) and Endowment fund balance £57,495,400.

Income increased due to increases to rents and maintenance charges, with the overall occupation split of the Foundation's properties between beneficiaries and tenants paying market rents remaining substantially unchanged. Expenditure increased significantly as a result of significant refurbishments carried out to properties.

At the year end, unrestricted funds are in deficit as a result of rental income being reinvested in the refurbishment of the properties, which being held by the Endowment fund means capitalised amounts are transferred to the Endowment fund. The Board are content the deficit will be eliminated over time from future income.

Reserves level and policy

The Foundation's endowment property provides a steady flow of income which has proved reliable, and which covers all its general commitments including scheduled loan repayments and day to day running repair of its properties. There is also an important element provided to permit a full programme of the repairs and improvements highlighted by the quinquennial inspection report currently being used for reference.

The Board is not aware of any future needs, opportunities, commitment, or risks where future income alone is unlikely to be able to meet anticipated costs. Therefore, those needs which justify having reserves are principally to meet an unexpected and substantial fall in the flow of income. Such a fall would almost certainly be attributable to a change in housing conditions on a national scale and thus be beyond the control of the Board.

The Board believes it to be correct to maintain the bank overdraft facility of £200,000, first arranged in 2013, and that this sum will continue to provide a sufficient initial cushion to meet pre-existing commitments to contractors during which time measures in mitigation of an income fall can be investigated and organised. Such measures could include a re-gearing of the rate of the property refurbishment and general enhancement measures for the estate. Taking into account unrestricted fixed assets held for the Foundation's use of £758, reserves are in deficit amounting to £(329,022).

The E. Hayes Dashwood Foundation

Report of the Trustees for the year ended 31 December 2022

Statement Of Trustees' Responsibilities

The Board of the E. Hayes Dashwood Foundation is responsible for preparing Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed require the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

- ❖ select suitable accounting policies and then apply them consistently;
- ❖ observe the methods and principles of the charity SORP;
- ❖ make judgements and estimates that are reasonable and prudent;
- ❖ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ❖ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Board as the Trustee body is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. The Board as a Trustee body is 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 was approved by the Board 24 October 2023 and signed on behalf of the board by;

Tom Blackburn

Vice-Admiral Sir Tom Blackburn KCVO CB (Chairman)

The E. Hayes Dashwood Foundation

Statement of Financial Activities for the year ended 31 December 2022

Opinion

We have audited the financial statements of The E. Hayes Dashwood Foundation (the 'charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The E. Hayes Dashwood Foundation

Statement of Financial Activities for the year ended 31 December 2022

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The charity is required to comply with charity law and based on our knowledge of its activities, we identified that the legal requirement to accurately account for endowment and restricted funds was of key significance.
- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for endowment and restricted funds, through discussions with management and a review of the documented policies, procedures, and
- Our approach was to check that all endowment and restricted income and assets were properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds and assets subject to endowments were classified correctly.
- We also obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant are the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Charities Act 2011.
- We understood how the charity is complying with those frameworks via communication with those charged with governance, together with the review of the charity's documented policies and procedures.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements.

The E. Hayes Dashwood Foundation

Statement of Financial Activities for the year ended 31 December 2022

These included risks associated with revenue recognition, application of accounting estimates and management override of controls, which were discussed and agreed by the audit team.

- Our approach included agreeing the recognition of income to the terms of tenancy agreements and beneficiary appointments, reviewing the assumptions used and controls applied in the calculation of accounting estimates, the review of journal entries processed in the accounting records and the investigation of significant and unusual transactions identified from our review of the accounting records.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the board members with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the charity.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Knox Cropper LLP

Knox Cropper LLP
Office Suite 1, Haslemere House,
Lower Street, Haslemere
Surrey
GU27 2PE

24 October 2023

The E. Hayes Dashwood Foundation

Statement of Financial Activities for the year ended 31 December 2022

	Note	Unrestricted Funds £	Endowment Funds £	Total Funds 2022 £	Total Funds 2021 £
Income and Endowments					
Charitable activities	2	526,527	-	526,527	494,128
Investment income	3	1,023,645	-	1,023,645	985,277
Total income		1,550,172	-	1,550,172	1,479,405
Expenditure					
Cost of Raising Funds	4	561,316	-	561,316	295,727
Charitable activities	5	567,906	-	567,906	466,685
Total expenditure		1,129,222	-	1,129,222	762,412
Gains/(losses) on investment properties	11	-	984,370	984,370	160,145
Net income/(expenditure)		420,950	984,370	1,405,320	877,138
Gains/(losses) on revaluation of tangible fixed assets	9	-	1,113,292	1,113,292	153,028
Transfers between funds		(405,438)	405,438	-	-
Net movement in funds		15,512	2,503,100	2,518,612	1,030,166
Funds brought forward 1 January		(343,776)	54,992,300	54,648,524	53,618,358
Total funds carried forward 31 December	16	(328,264)	57,495,400	57,167,136	54,648,524

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Balance Sheet as at 31 December 2022

		2022		2021	
	Notes	£	£	£	£
Fixed Assets					
<i>Tangible fixed assets</i>					
Housing properties	9	24,276,700		23,768,900	
Other fixed assets	10	279,758		280,212	
Investment properties	11	32,939,700		30,944,400	
		57,496,158		54,993,512	
Current Assets					
Debtors	12	94,215		76,733	
Cash at bank and in hand		230		34	
		94,445		76,767	
Creditors: amount falling due within one year	13	(288,210)		(241,633)	
Net Current Liabilities		(193,765)		(164,866)	
Total Assets Less Current Liabilities		57,302,393		54,828,646	
Creditors: amount falling due after more than one year	14	(135,257)		(180,122)	
Net Assets		57,167,136		54,648,524	
Charity Funds	15				
Endowment funds		57,495,400		54,992,300	
Unrestricted funds		(328,264)		(343,776)	
		57,167,136		54,648,524	

The trustees acknowledge their responsibility for complying with the requirement of the act with respect of accounting records and preparation of financial statements.

The financial statements were approved by the Board of Trustees on 24 October 2023 and were signed on its behalf by:

Tom Blackburn

Vice-Admiral Sir Tom Blackburn KCVO CB

A. Picton

Commodore Annette Picton RN

The notes form an integral part of these financial statements

The E. Hayes Dashwood Foundation

Statement of Cash Flows for the year ended 31 December 2022

		2022	2021
	Notes	£	£
Cash flow from operating activities			
Net cash provided by/(used in) operating activities	A	(626,147)	(230,813)
Cash flow from investing activities			
Investment income		1,023,366	985,102
Interest income		279	175
Capitalised works to existing properties		(405,438)	(668,827)
Purchase of fixed assets		-	(1,364)
Net cash provided by investing activities		618,207	315,086
Cash flow from financing activities			
Repayment of borrowings		(44,694)	(44,851)
Interest paid		(8,383)	(10,687)
Net cash provided by/(used in) financing activities		(53,077)	(55,538)
Change in cash and cash equivalents in the year		(61,017)	28,735
Cash and cash equivalents at the beginning of the year		(60,922)	(89,657)
Cash and cash equivalents at the end of the year		(121,939)	(60,922)

Notes to the cash flow statement

	2022	2021
A – Reconciliation of Net Income to Net Cash Flow from Operating Activities	£	£
Net income/(expenditure) for the year	1,405,320	877,138
Depreciation charge	454	152
Investment Income	(1,023,645)	(985,277)
Interest payable	8,383	10,687
(Gain)/losses on investment properties	(984,370)	(160,145)
Decrease/(increase) in debtors	(17,482)	(5,945)
(Decrease)/increase in creditors	(14,807)	32,577
Net cash provided by operating activities	(626,147)	(230,813)

The E. Hayes Dashwood Foundation

Statement of Cash Flows for the year ended 31 December 2022

B – Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash at Bank	230	34
Bank overdraft	(122,169)	(60,956)
Total cash and cash equivalents	(121,939)	(60,922)

C – Analysis of changes in net debt

	At 01/01/2022	Cash Flows	Other non-cash changes	At 31/12/2022
	£	£	£	£
Cash	34	196	-	230
Bank overdraft	(60,956)	(61,213)	-	(122,169)
Loans falling due within one year	(44,866)	(171)	-	(45,037)
Loans falling due after more than one year	(180,122)	44,865	-	(135,257)
	(285,910)	(16,323)	-	(302,233)

The E. Hayes Dashwood Foundation

Notes to the Financial Statements for the year ended 31 December 2022

1) Accounting Policies

Status

The E. Hayes Dashwood Foundation is a Charitable Incorporated Organisation (CIO) registered with the Charity Commission for England and Wales with registered number 1189334. The principal office address is 26E Radbourne Road, Balham, London, SW12 0EF. A description of the Foundation's operations and principal activities can be found in the Report of the Trustees.

Basis of preparing the financial statements

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. They have been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) Second Edition issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. The presentation currency of the financial statements is the Pound Sterling (£). The Foundation constitutes a public benefit entity as defined by FRS 102.

The accounts have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) Second Edition issued in October 2019 rather than the Accounting and Reporting by Charities Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements. The trustees of the Foundation have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Foundation to continue as a going concern.

Notwithstanding the net current liabilities position at the balance sheet date, the trustees are of the opinion that the Foundation will have sufficient resources to meet its liabilities as they fall due. This is because the charity is receiving regular income from its properties and has sufficient headroom in existing overdraft and loan facilities to accommodate fluctuations in spending. In addition, the Foundation has property available to pledge as security additional borrowings were this required.

Incoming Resources

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Rents and Maintenance Charges

Rent and maintenance charges receivable for the occupation of the Foundation's freehold property are accounted for in the period in which the properties were occupied and are net of voids. Weekly maintenance contributions receivable from appointed beneficiaries of the Foundation are accounted for as income from charitable activities, while rent receivable under assured shorthold tenancies from persons not appointed as beneficiaries of the Foundation is accounted for as income from investment properties.

Investment and Other Income

Investment and other sundry income is accounted for when received or legal entitlement arises.

Donations Receivable

Donations receivable are accounted for when received or legal entitlement arises. Donations for purposes restricted by the wishes of the donor(s) are treated as Restricted Funds.

The E. Hayes Dashwood Foundation

Notes to the Financial Statements for the year ended 31 December 2022

Resources Expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Foundation to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

Costs of Raising Funds

Cost of Raising Funds comprises all direct costs incurred in the management and maintenance of properties which are for the time being categorised as investment properties and an apportionment of support costs.

Costs of Charitable Activities

Cost of Charitable Activities comprises all direct costs incurred in the management and maintenance of properties which are for the time being categorised as tangible fixed assets, being used for the accommodation of beneficiaries of the charity, and an apportionment of support costs.

Support Costs

Support costs represent indirect expenditure incurred in the administration of the Foundation. Governance costs comprise the costs involving the public accountability of the Foundation (including audit costs) and costs in respect to its compliance with regulation and good practice. Support costs and governance costs are allocated between the Foundation's activities by reference to direct costs incurred and staff time spent on each activity.

Apportionment of costs

Expenditure is allocated to Raising Funds or Charitable Activities where it can be identified as related to Investment Properties or Housing Properties respectively. Where expenditure relates to the estate as a whole it is apportioned between activities on the basis of the number of properties used for Investment and Housing purposes.

Tangible fixed assets

Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at valuation. Housing properties are stated at fair value at the date of valuation, less accumulated impairment losses. No depreciation has been charged as the residual value of the properties at open market rates is considered to exceed the valuation in their current use for beneficiaries of the Foundation. Revaluations are made with sufficient regularity to ensure that the carrying amount does not materially differ from the fair value of the properties as at the year end.

Office property and freehold land

Office property and Land is initially recognised at cost and subsequently measured using the revaluation model at valuation at each balance sheet date.

Office equipment

Office equipment is measured at cost less depreciation. Depreciation is charged to write off the cost over three years on a straight-line basis.

Investment properties

Investment properties are properties held to generate rental income, rather than the provision of social housing, and are measured at fair value at the balance sheet date. Gains are calculated based on the movement in the market value during the period.

Debtors

Trade and other receivables are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

The E. Hayes Dashwood Foundation

Notes to the Financial Statements for the year ended 31 December 2022

Creditors:

Creditors are measured at the expected settlement amount, discounted for the time value of money if material.

Cash at bank and in hand

Cash and cash equivalents include cash at bank and in hand and highly liquid interest-bearing securities with maturities of three months or less.

Financial Instruments

The Foundation 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 amortised cost using the effective interest method.

Financial assets held at cost comprise cash at bank and in hand, together with trade and other receivables (excluding prepayments). Financial liabilities held at cost comprise of bank loans and overdrafts, trade and other creditors.

Fund accounting:

Unrestricted funds

These funds are available at any time for the use at the discretion of Trustees for the furtherance of the Foundation's activities and objectives.

Endowment funds

These funds have been established from an endowment the Foundation received many years ago and represents the Foundation's freehold land and buildings.

Restricted funds

Donations or legacies received which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the Foundation.

Taxation

The charity is exempt from tax on its charitable activities.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Critical accounting estimates and areas of judgement

The following are the critical judgements and key sources of estimation uncertainty that the Board has made in the process of applying the Foundation's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Valuation of tangible fixed assets and investment properties

Management reviews its valuation of housing properties at each reporting date, based on either formal valuation reports or an update to those reports based on market conditions and other changes to assumptions. Uncertainties in these estimates relate to the discount rate, the cost of property maintenance and future cash flows. Valued properties totalled £57,495,400 at the year-end.

In view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The E. Hayes Dashwood Foundation

Notes to the Financial Statements for the year ended 31 December 2022

2 Income From Charitable Activities

	Unrestricted Fund	Endowment Funds	2022 Total	2021
	£	£	£	£
Maintenance charges receivable	526,527	-	526,527	494,128
	526,527	-	526,527	494,128
2021 analysis	494,128	-	494,128	

3 Income From Investments

	Unrestricted Fund	Endowment Funds	2022 Total	2021
	£	£	£	£
Rents receivable	1,023,366	-	1,023,366	985,101
Interest receivable	279		279	176
	1,023,645	-	1,023,645	985,277
2021 analysis	985,277		985,277	

The E. Hayes Dashwood Foundation

Notes to the Financial Statements for the year ended 31 December 2022

4 Cost of Raising Funds

	Unrestricted Funds	Endowment Funds	2022 Total	2021
	£	£	£	£
<i>Investment properties</i>				
Utilities	2,005	-	2,005	-
Reactive repairs and maintenance	195,819	-	195,819	134,238
Cyclical repairs and maintenance	213,006	-	213,006	-
Property management	97,442	-	97,442	94,226
Insurance	7,941	-	7,941	7,416
Legal and professional	3,417	-	3,417	6,245
Other	2,186	-	2,186	17
Support costs	39,500	-	39,500	53,585
	561,316	-	561,316	295,727
2021 analysis	295,727		295,727	

5 Expenditure on Charitable Activities

	Unrestricted Fund	Endowment Funds	2022 Total	2021
	£	£	£	£
<i>Housing accommodation</i>				
Utilities	22,966	-	22,966	22,216
Reactive repairs and maintenance	208,944	-	208,944	302,261
Cyclical repairs and maintenance	179,223	-	179,223	-
Property management	50,134	-	50,134	47,255
Insurance	7,940	-	7,940	4,120
Legal and professional	30,806	-	30,806	6,238
Bad debts	7,149	-	7,149	-
Other	2,311	-	2,311	32
Support costs	58,433	-	58,433	84,563
	567,906	-	567,906	466,685
2021 analysis	466,685	-	466,685	

The E. Hayes Dashwood Foundation

Notes to the Financial Statements for the year ended 31 December 2022

6 Support Costs

	2022	2021
	£	£
Staff costs (note 9)	52,138	41,559
Administration	5,888	4,126
Accountancy	11,448	9,627
Depreciation	455	152
Legal and professional fees	8,201	59,999
Bank charges	3,320	4,227
Loan & overdraft interest	8,383	10,687
Governance costs:		
Auditors' remuneration	7,200	7,200
Trustees' meeting costs	900	571
	97,933	138,148
Support cost allocated to;		
Fundraising activities	39,500	53,585
Charitable activities	58,433	84,563
	97,933	138,148

7 Trustees' Expenses

	2022	2021
	£	£
Trustees' Expenses	270	571

Trustees received no remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021. Total 3 (2021: 5) trustees received reimbursement of meeting attendance travelling cost.

There were no related party transactions, other than the reimbursement of expenses to trustees noted above.

The E. Hayes Dashwood Foundation

Notes to the Financial Statements for the year ended 31 December 2022

8 Staff costs

	2022	2021
	£	£
Gross salaries	49,137	40,332
Employer national insurance contributions	1,536	87
Defined contribution pension costs	1,465	1,140
	52,138	41,559

	2022	2021
The average full time equivalent number of employees	1	1

No employee received emoluments in excess of £60,000 (2021: nil). Key Management Personnel is defined as the trustees and the Foundation Director. Total remuneration amounted to £52,138 (2021: £41,559).

The E. Hayes Dashwood Foundation

Notes to the Financial Statements for the year ended 31 December 2022

9 Housing Properties

	Housing Properties	Total
	£	£
Valuation		
At 1 January 2022	23,768,900	23,768,900
Works to existing properties	161,988	161,988
Disposals	-	-
Revaluation	1,113,292	1,113,292
Transfer from investment properties	3,061,120	3,061,120
Transfer to investment properties	(3,828,600)	(3,828,600)
At 31 December 2022	24,276,700	24,276,700
Depreciation		
At 1 January 2022	-	-
Charge for the year	-	-
Revaluation	-	-
Transfer from investment properties	-	-
Transfer to investment properties	-	-
At 31 December 2022	-	-
Net Book Value		
At 31 December 2022	24,276,700	24,276,700
At 31 December 2021	23,768,900	23,768,900

The Foundation's housing properties were revalued as at 31 December 2022 using an independent valuer, Cluttons LLP. Significant assumptions applied in estimating the fair value include a discount to the vacant possession value to reflect the reduced income generated by the properties. There is no record of the original historical cost of the properties and as such it is not possible to present the carrying amount had the cost model been used.

The E. Hayes Dashwood Foundation

Notes to the Financial Statements for the year ended 31 December 2022

10 Other Fixed Assets

	Office Property	Land	Office Equipment	Total
	£	£	£	£
Cost or Valuation				
At 1 January 2022	186,000	93,000	1,364	280,364
Disposals	-	-	-	-
Revaluation	-	-	-	-
At 31 December 2022	186,000	93,000	1,364	280,364
Depreciation				
At 1 January 2022	-	-	152	152
Charge for the year	-	-	454	454
Revaluation	-	-	-	-
At 31 December 2022	-	-	606	606
Net Book Value				
At 31 December 2022	186,000	93,000	758	279,758
At 31 December 2021	186,000	93,000	1,212	280,212

The Foundation's office property and land were revalued as at 31 December 2022 using an independent valuer, Cluttons LLP. There is no record of the original historical cost of the and as such it is not possible to present the carrying amount had the cost model been used.

The E. Hayes Dashwood Foundation

Notes to the Financial Statements for the year ended 31 December 2022

11 Investment Properties

	Freehold Reversions	Housing Properties	Total
	£	£	£
Valuation			
At 1 January 2022	164,900	30,779,500	30,944,400
Works to existing properties	-	243,450	243,450
Disposals	-	-	-
Revaluation	16,100	968,270	984,370
Transfer from tangible fixed assets	-	3,828,600	3,828,600
Transfer to tangible fixed assets	-	(3,061,120)	(3,061,120)
At 31 December 2022	181,000	32,758,700	32,939,700

The Foundation's investment properties were revalued as at 31 December 2022 using an independent RICS Registered Valuer from Cluttons LLP. Significant assumptions applied in estimating the fair value include a discount to the vacant possession value to reflect the tenanted status of properties.

12 Debtors

	2022	2021
	£	£
Rent and Maintenance charges in arrears	55,005	31,741
Less: provision for bad debts	(7,149)	-
	47,856	31,741
Funds held by managing agent	21,529	24,442
Prepayments and accrued income	4,130	4,079
Other debtors	20,700	16,471
	94,215	76,733

The E. Hayes Dashwood Foundation

Notes to the Financial Statements for the year ended 31 December 2022

13 Creditors falling due within one year.

	2022	2021
	£	£
Bank loan (see note 15)	45,037	44,866
Bank overdraft	122,169	60,956
Trade creditors	32,927	62,709
Rent and Maintenance charges in advance	8,767	-
Accrued expenses and deferred income	72,979	70,779
Taxation and social security	6,078	2,102
Other creditors	253	221
	288,210	241,633

Deferred income relates to rent and maintenance income charged in advance. The movement on the deferred income account:

	2022	2021
	£	£
Brought forward	43,158	69,252
Released to income	(43,158)	(69,252)
Deferred this year	48,230	43,158
Carried forward	48,230	43,158

14 Creditors falling due after more than one year.

	2022	2021
	£	£
Bank loan (see note 15)	135,257	180,122
	135,257	180,122

The E. Hayes Dashwood Foundation

Notes to the Financial Statements for the year ended 31 December 2022

15 Loans

An analysis of the maturity of loans is given below:	2022	2021
	£	£
Amount falling due within one year on demand	44,866	44,866
Amount falling due between one and two years	45,037	44,866
Amount falling due between three and five years	90,391	135,256
All loans	180,294	224,988

The total facility is £300,000 which has not been fully drawn down and is repaid by equal monthly instalments of capital with the final repayment in August 2026. The facility is secured on two of the Foundation's investment properties with a carrying value of £1,250,200 at the balance sheet date. Interest is charged at 2.80% over the Bank of England base rate.

The E. Hayes Dashwood Foundation

Notes to the Financial Statements for the year ended 31 December 2022

16 Movement in Fund (2022)

	Opening balance	Income	Expenditure	Funds transfer	Gains on investment	Closing balance
	£	£	£	£	£	£
Unrestricted funds	(343,776)	1,550,172	(1,129,222)	(405,438)	-	(328,264)
Endowment funds	54,992,300	-	-	405,438	2,097,662	57,495,400
Restricted funds	-	-	-	-	-	-
	54,648,524	1,550,172	(1,129,222)	-	2,097,662	57,167,136

Prior year analysis (2021)	Opening balance	Income	Expenditure	Transfer between	Gains on investment	Closing balance
	£	£	£	£	£	£
Unrestricted Fund	(391,942)	1,479,405	(762,412)	(668,827)	-	(343,776)
Endowment funds	54,010,300	-	-	668,827	313,173	54,992,300
Restricted funds	-	-	-	-	-	-
	53,618,358	1,479,405	(762,412)	-	313,173	54,648,524

Endowment funds comprise the properties transferred to the Foundation on its establishment.

Transfers from unrestricted funds to endowment funds represent funds spent on capitalised improvements to the endowed property.

The E. Hayes Dashwood Foundation

Notes to the Financial Statements for the year ended 31 December 2022

17 Analysis Of Net Assets By Funds

	Unrestricted	Endowment	2022 Total
	£	£	£
At 31 December 2022			
Fixed assets	758	57,495,400	57,496,158
Current assets	94,445	-	94,445
Creditors less than one year	(288,210)	-	(288,210)
Creditors more than one year	(135,257)	-	(135,257)
Net assets	(328,264)	57,495,400	57,167,136

	Unrestricted General	Endowment	2021 Total
	£	£	£
At 31 December 2021			
Fixed assets	1,212	54,992,300	54,993,512
Current assets	76,767	-	76,767
Current liabilities	(241,633)	-	(241,633)
Creditors more than one year	(180,122)	-	(180,122)
Net assets	(343,776)	54,992,300	54,648,524

The E. Hayes Dashwood Foundation

Notes to the Financial Statements for the year ended 31 December 2022

18 Comparative Statement of Financial Activities

	Unrestricted Funds	Endowment Funds	Total Funds
	£	£	£
Income and Endowments			
Charitable activities	494,128	-	494,128
Investment income	985,277	-	985,277
Total income	1,479,405	-	1,479,405
Expenditure			
Cost of Raising Funds	295,727	-	295,727
Charitable activities	466,685	-	466,685
Total expenditure	762,412	-	762,412
Gains/(losses) on investment property	-	160,145	160,145
Net income/(expenditure)	716,993	160,145	877,138
Gains/(losses) on revaluation of tangible fixed assets	-	153,028	153,028
Transfers between funds	(668,827)	668,827	-
Net movement in funds	48,166	982,000	1,030,166
Funds brought forward 1 January			
As originally reported	7,018,779	46,082,462	53,101,241
Prior year adjustment	(7,410,721)	7,927,838	517,117
As restated	(391,942)	54,010,300	53,618,358
Total funds carried forward 31 December	(343,776)	54,992,300	54,648,524