

# THE SOCIETY OF MERCHANT VENTURERS ALMSHOUSES CHARITY

England & Wales · Charity number 202152

## Details

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**Status** Registered

**Legal form** Other

**Registered** 1985-05-29

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** The Society Of Merchant Venturers  
Merchants Hall  
The Promenade  
Clifton Down  
Bristol  
BS8 3NH

**Phone** 01179738058

**Email** [enquiries@merchantventurers.com](mailto:enquiries@merchantventurers.com)

**Website** [merchantventurers.com](http://merchantventurers.com)

## Activities

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**Objects:** ALMSHOUSES FOR POOR PERSONS OF GOOD CHARACTER WHO (EXCEPT IN SPECIAL CASES TO BE APPROVED BY THE CHARITY COMMISSION) ARE INHABITANTS OF THE CITY OF BRISTOL. IN SELECTING RESIDENTS FOR THE MERCHANT VENTURER'S ALMSHOUSES ,PREFERENCE SHALL BE GIVEN TO MARINERS AND THEIR DEPENDENTS .IN SELECTING RESIDENTS FOR COLSTON'S ALMSHOUSE PREFERENCE SHALL BE GIVEN TO MEMBERS OF THE CHURCH OF ENGLAND.

**Activities:** TO PROVIDE ALMSHOUSES FOR THE POOR PERSONS OF GOOD CHARACTER WHO (EXCEPT IN SPECIAL CASES TO BE APPROVED BY THE CHARITY COMMISSION) ARE INHABITANTS OF THE CITY OF BRISTOL. IN SELECTING RESIDENTS FOR MERCHANT VENTURERS' ALMSHOUSES PREFERENCE SHALL BE GIVEN TO MARINERS AND THEIR DEPENDANTS. IN SELECTING RESIDENTS FOR COLSTON'S ALMSHOUSE PREFERENCE SHOULD BE GIVEN TO MEMBERS OF THE CHURCH OF ENGLAND.

## Classification

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- **How:** Provides Buildings/facilities/open Space
- **What:** Accommodation/housing
- **Who:** Elderly/old People

## Geography

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- **Area of benefit:** CITY OF BRISTOL
- Bristol City

## Finances

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Period end	Income	Expenditure	Assets	Employees
2024-12-31	£283,772	£181,790	-	-
2023-12-31	£287,342	£126,545	-	-
2022-12-31	£135,766	£136,346	-	-
2021-12-31	£135,535	£112,347	-	-
2020-12-31	£125,638	£107,186	-	-

## Trustees

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Name	Role	Appointed
SMV COMPANY TRUSTEE LIMITED		2016-11-10

**THE SOCIETY OF MERCHANT VENTURERS ALMSHOUSES CHARITY**

England & Wales - Charity number 202152

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# Accounts

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Homes & Community Agency Registered Number: A3603  
Charity Registered Number: 202152

**The Society of Merchant Venturers'  
Almshouses Charity**

**Annual report and financial statements  
for the year ended 31 December 2024**

# The Society of Merchant Venturers' Almshouses Charity

## Annual report and financial statements for the year ended 31 December 2024

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# The Society of Merchant Venturers' Almshouses Charity

## Report of the Trustee for the year ended 31 December 2024

The Trustee presents its annual report and the audited financial statements for the year ended 31 December 2024.

These financial statements have been prepared in accordance with the Trust deed, the Statement of Recommended Practice "Accounting by Registered Social Landlords" (updated 2019), the Accounting Direction for Private Registered Providers of Social Housing 2019 and FRS 102.

### Trustee, officers and advisers

The Trustee of the Charity is SMV Trustee Company Limited.

Listed below are those members who have served on the Board of SMV Trustee Company Limited during the year:

Robert Bourns	(Deceased 23 June 2025)
Jonathon Baker	
Katharine Finn	
Michael Bothamley	
Patrick Despard	
David Freed	
Gillian Camm	(Retired 10 November 2024)
Nick Baker	(Retired 10 November 2024)
Karl Tucker	(Retired 10 November 2024)
David Powell	
Mark Burchfield	
Heather Frankham	
Professor Sir Steven West	
Laura Marshall	
Tracey Killen	
Dr Jacqueline Cornish	(Appointed 10 November 2024)
Gail Bragg	(Appointed 10 November 2024)
Martino Burgess	(Appointed 10 November 2024)

### Registered address of the Charity

Merchants' Hall  
The Promenade  
Clifton  
Bristol  
BS8 3NH

**Charity Number:** 202152

**Housing Association Number:** A3603

# The Society of Merchant Venturers' Almshouses Charity

## Report of the Trustee for the year ended 31 December 2024 (continued)

### Names and addresses of other relevant organisations

#### Auditor

Bishop Fleming, 10 Temple Back, Bristol, BS1 6FL

#### Banker

NatWest Bank plc, Trinity Quay 2, 2nd Floor, Avon Street, Bristol, BS2 0PT

#### Solicitor

Womble Bond Dickinson (UK) LLP, 3 Temple Quay, Temple Back East, Bristol, BS1 6DZ

#### Investment Managers

Rathbones Investment Management, 30 Gresham Street, London, EC2V 7QN

LGT Wealth Management, 15 Queen Square, Bristol, BS1 4NP

Evelyn Partners Investment Management LLP, Portwall Place, Portwall Lane, Bristol, BS1 6NA  
(via the Merchant Venturers' Charities Investment Pool (MVCIP), Charity Number 1053459)

COIF Charity Funds, CCLA Investment Management Ltd, 80 Cheapside, London, EC2V 6DZ

### Reference and administrative information

The Almshouses Charity is a Registered Social Landlord (Homes & Community Agency number A3603) and a charity registered with the Charity Commission (charity registration number 202152).

The information with respect to the Trustee, officers and advisers set out on page 1 forms part of this report.

### Structure, governance and management

#### Governing document

The Charity is constituted under a Charity Commission Scheme dated 29 May 1985 as amended by a Scheme dated 8 May 1991, 2 May 1996 and 3 January 2017 and is a registered charity, number 202152.

#### Governing body and organisational management

The Trustee of the Charity is SMV Trustee Company Limited, a company limited by guarantee. All the members of the Society of Merchant Venturers' Standing Committee are Directors of SMV Trustee Company Limited.

The Trustee meets to consider, at least on a quarterly basis, the broad strategy, direction and investment policy of the Charity.

Assisting the Trustee are the Care of Older People Sub Committee, the Audit Sub-Committee, the Investment Strategy Group, the Finance and Investment Sub-Committee and the Conflicts of Interest Advisory Sub-Committee.

# The Society of Merchant Venturers' Almshouses Charity

## Report of the Trustee for the year ended 31 December 2024 (continued)

### Governing body and organisational management (continued)

The Charity is a Registered Social Landlord and, under the supervision of the Trustee, is managed by the Care of Older People Sub-Committee of the Society of Merchant Venturers, the members of which are:

Dr Jacqueline Cornish (Chair)  
Caroline Duckworth  
Charles Griffiths  
Edward Ware  
David Marsh  
Sir Jay Tidmarsh  
Chris Patterson  
David Freed  
Helen Currie

The Sub-Committee meets at least quarterly to oversee and administer the efficient management of the Charity and to consider and subsequently recommend and gain approval from the Trustee for broad operational and strategic issues. The tenure of membership is 3 years, re-electable for a further 3 years and, in special circumstances, tenure can be extended. The induction process for any newly appointed member includes an initial meeting and site visits with the Chairman.

The Conflicts of Interest Advisory Sub-Committee comprises of two individuals with no connection to either SMV or SMV TCL who can advise on areas where a conflict of interest might arise.

As detailed in note 16, the Society of Merchant Venturers provided administrative services to the charities of which SMV TCL was trustee and (as permitted by the Charity Commission) made a charge for these. The Conflicts of Interest Advisory Sub-Committee has reviewed these charges and made a recommendation to the board of SMV TCL that the proposed charges are, in the opinion of the members of the Sub-Committee appropriate.

Accounting support is provided by the Society of Merchant Venturers' Finance department.

### Recruitment and training of the Trustee

The Directors of SMV Trustee Company Limited are elected annually from within the membership of the Society and are appraised of the general duties of a trustee. In the event of significant changes to legislation or best practice, further relevant training is undertaken. The management and strategy of the Charity are considered in greater detail by the Care of Older People Sub-Committee. The members of this Sub-Committee bring with them the necessary financial, property and care skills that enable them to deal both with more immediate issues as well as to assess, monitor and make the necessary recommendations for the future strategic direction and well-being of the Charity.

# **The Society of Merchant Venturers' Almshouses Charity**

## **Report of the Trustee for the year ended 31 December 2024 (continued)**

### **Risk management**

In the light of the Corporate Governance guidance contained within the Statement of Recommended Practice 2019 "Accounting and Reporting by Charities", the Trustee examined the major risks faced by the Charity.

The Trustee continues to monitor and manage ongoing risks relating to areas such as the achievement of the charitable objects and the protection of the charity's assets. Systems are in place to monitor and control these risks and to mitigate the impact that they have on the Charity.

The risk register is reviewed and updated as required but not fewer than on a bi-annual basis by Management and by the Care of Older People Sub-Committee. It is reviewed by the Merchant Venturers Audit Committee and is noted by the Trustee.

The Charity is reliant on the income from its investments and on the income from residents to enable it to provide accommodation in the furtherance of its charitable objectives. The charity does however have reserves in significant excess of its annual expenditure and therefore if required it could meet expenditure from these reserves.

### **Objectives and activities**

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

### **Objects of the Charity**

The objects of the Charity, defined in the Charity Commission Scheme, which should be referred to for exact details, are:

"To provide Almshouses for poor persons of good character who (except in special cases to be approved by the Charity Commission) are inhabitants of the City of Bristol."

During the year the Charity has continued to provide accommodation for older people in accordance with the terms of the Scheme via the 12 self-contained accommodation units.

### **Aims and intended impact**

The aim of the Charity is to provide affordable, suitable and fit for purpose accommodation for persons of good character. The Trustee has given careful consideration to the level of fees set for the Almshouse and has adhered to the legislation which prescribes a formula of Consumer Price Index (CPI) + 1%. This enables residents to meet their fees for rents wholly from Housing Benefit or Universal Credit (where they are eligible individuals).

### **Objectives for the year**

This year the focus has been ensuring that the Almshouse is operated, equipped and maintained to meet both current and future social housing requirements.

# The Society of Merchant Venturers' Almshouses Charity

## Report of the Trustee for the year ended 31 December 2024 (continued)

### Strategies to achieve the objectives

The future short and long-term maintenance needs of the Almshouse have been considered in the light of changing requirements of the residents. The Almshouse should receive sufficient investment to meet expectations of future residents.

### Achievements and performance

Throughout the year the Almshouse has provided 12 flats to those in need at social housing rates. Occupants of this close-knit community enjoy all the advantages of a historic building and setting but located in an inner-city environment. The Trustee continues to monitor and maintain the building for the benefit of the residents and improve units, as they become vacant.

### Financial review

The operating deficit for the year was £(19,594) (2023: £32,824 surplus).

The statement on page 12 shows a total comprehensive income for the year of £123,466 (2023: £220,248 surplus). The decrease from 2023 to 2024 is due to higher maintenance and running costs, alongside a more modest unrealised gain in the market value of investments in 2024 compared to 2023.

### Investment policy and performance

The Trustee has delegated investment management to the Merchant Venturers' Finance and Investment Sub-Committee, including the investment and performance of the financial assets; the appointment of appropriate Fund Managers and monitoring their performance; and to recommend to the Trustee optimum strategy for financial investment.

The Merchant Venturers Finance and Investment Sub-Committee's policy is to increase income whilst preserving the real value of the investments. The income provides unrestricted funds to enable the Trustee to pursue the objects of the Charity, including plans for the future. The funds continue to be invested in The Merchant Venturers' Charities Investment Pool ("MVCIP") (Charity Number 1053459).

Although markets concluded 2024 on a subdued note, equities demonstrated robust performance over the calendar year, with the US as the standout performer largely driven by the "magnificent 7" mega cap tech stocks. Amid political instability in Germany and France, European equities, along with emerging market stocks struggled owing to concerns that proposed US tariffs might trigger a trade war and hinder growth in other regions. Meanwhile, bond markets reacted negatively to the pro-growth, higher-inflation narrative. US elections, which ushered in Donald Trump's second administration significantly influenced markets.

The total return of the investment portfolio in the year was a gain of 3.4% versus the UK CPI+3% benchmark of +5.4% (2023: gain of 5.05% versus the composite benchmark gain of 10.38%).

### Reserves policy

The Trustee aims as far as possible to maintain two years of resources expended in the revenue reserve. At 31 December 2024 the revenue reserve was at £2,241,964 (2023: £2,141,210). Based on 2024 costs, two years of resources would equate to £362,558. Excluding the investments held for re-provision, the revenue reserve balance at 31 December 2024 was £542,224, which is higher than the reserve target.

The revenue reserve also includes the proceeds of sale of St Nicholas with Burton's Almshouse (£830,000) and Merchants' Almshouse (£620,000) which will be used for re-provision.

The Extraordinary Repair Reserve of £394,693 at 31 December 2024 (2023: £374,404) provides for major maintenance and repair of an extraordinary and irregular nature. The Trustee transfers £1,230 into the Extraordinary Repair Reserve on an annual basis. This policy is subject to annual review.

# **The Society of Merchant Venturers' Almshouses Charity**

## **Report of the Trustee for the year ended 31 December 2024 (continued)**

### **Going concern**

The financial statements have been prepared on a going concern basis which the Trustee considers to be appropriate for the following reasons.

The Trustee has considered downside scenarios including a situation where income is significantly reduced. The Charity has current assets considerably in excess of its liabilities and, even with a significant fall in income, has sufficient resources to meet its liabilities as they fall due.

Consequently, the Trustee is confident that the Charity will have sufficient funds to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore has prepared the financial statements on a going concern basis.

### **Governance and Financial Viability**

In accordance with the Accounting Direction for Private Registered Providers of Social Housing 2019, the Trustee certifies compliance with the governance and financial viability standard.

### **Future plans**

Following an acknowledgement of the need to plan for and meet changing needs and expectations a strategic review of the future of the Almshouses was conducted during 2023.

It is planned to use the proceeds of the sale of Merchants' Almshouse in 2014 together with the proceeds of the sale in 2007 of St Nicholas with Burton's Almshouse, in the re-provision of new almshouse accommodation. During 2024 a further review of opportunities within the area of benefit has been undertaken.

In 2025 the Trustee will continue to explore opportunities to work in partnership with other Charities to achieve this aim.

# The Society of Merchant Venturers' Almshouses Charity

## Report of the Trustee for the year ended 31 December 2024 (continued)

### Accounting and reporting responsibilities

#### Statement of Trustee's responsibilities in respect of the Trustee's Annual Report and the financial statements

Under charity law, the trustees are responsible for preparing a Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The trustees are required to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period.

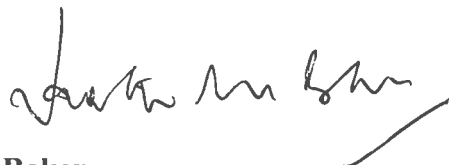
In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping accounting records which are sufficient to show and explain the charity's transactions and disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the financial and other information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Signed for and on behalf of the Trustee**



**J Baker**  
Director

Merchants' Hall, The Promenade, Clifton, Bristol, BS8 3NH

Date: 06 JUNE 2025

# Independent Auditor's Report to the Trustee of The Society of Merchant Venturers' Almshouses Charity

## Opinion

We have audited the financial statements of The Society of Merchant Venturers' Almshouses Charity ("the charity") for the year ended 31 December 2024 which comprise the Statement of Comprehensive Income, Balance Sheet and notes to the financial statements, including significant accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with 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 Auditor's 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 Trustee's 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 Trustee with respect to going concern are described in the relevant sections of this report.

## Other information

The other information comprises the information included in the Trustee's annual report, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information contained within the report. 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.

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 course of 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.

# **Independent auditor's report to the Trustee of The Society of Merchant Venturers' Almshouses Charity (continued)**

## **Matters on which we are required to report by exception**

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

- the information given in the financial statements is inconsistent in any material respect with the Trustee's report; or
- the charity has not kept adequate accounting records; 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 the Trustee**

As explained more fully in the Trustee's responsibilities statement, the Trustee is responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustee determines 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 Trustee is 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 Trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 an auditor's report 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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and the charity's performance;
- results of our enquiries of management and the Trustee Board, including the committees charged with governance over the charity's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charity's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;

## Independent auditor's report to the Trustee of The Society of Merchant Venturers' Almshouses Charity (continued)

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011 and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of income;
- enquiring of the Trustee and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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 would become aware of it.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/library/standards-codes-policy/audit-assurance-and-ethics/auditors-responsibilities-for-the-audit/>. This description forms part of our auditor's report.

## **Independent auditor's report to the Trustee of The Society of Merchant Venturers' Almshouses Charity (continued)**

### **Use of our report**

This report is made solely to the charity's Trustee, 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 Trustee those matters we are required to state to them in an auditor's 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 Trustee as a body, for our audit work, for this report, or for the opinions we have formed.



**Chris Trantham FCA (Senior Statutory Auditor)**

For and on behalf of

**Bishop Fleming LLP**

Chartered Accountants

Statutory Auditors

10 Temple Back

Bristol

BS1 6FL

Date: 7 July 2025

Bishop Fleming LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# The Society of Merchant Venturers' Almshouses Charity

## Statement of comprehensive income for the year ended 31 December 2024

	Notes	2024	2023
		£	£
<b>Turnover</b>			
Rental income		119,201	110,934
Services charges	1	6,463	5,810
Less: Rent losses from voids		(14,958)	(20,528)
Net contribution		110,706	96,216
Other rental income		50,979	62,538
		161,685	158,754
<b>Operating costs</b>			
Services		72,648	52,926
Management	16 & 17	19,754	18,793
Routine maintenance		86,657	54,211
Depreciation		2,220	-
		(181,279)	(125,930)
<b>Operating (deficit)/surplus</b>		<b>(19,594)</b>	<b>32,824</b>
Unrealised gain/(loss) on investments	8	2,425	18,369
Unrealised gain/(loss) on investments of designated reserves	10 & 14	19,059	41,082
<b>Net revaluation surplus/(deficit)</b>		<b>21,484</b>	<b>59,451</b>
Interest receivable and other income	4	122,087	128,588
Interest payable and similar expenses	5	(511)	(615)
<b>Total comprehensive income/(deficit) for the year</b>		<b>123,466</b>	<b>220,248</b>

The results presented above relate wholly to continuing activities.

There is no difference between the deficit on ordinary activities for the year as stated above and their historical cost equivalents.

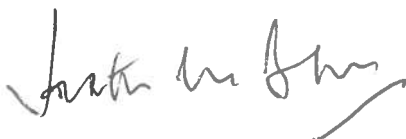
The accompanying notes form part of the financial statements.

# The Society of Merchant Venturers' Almshouses Charity

## Balance sheet at 31 December 2024

	Notes	2024		2023	
		£	£	£	£
<b>Fixed assets</b>					
Housing properties	7		1,969		1,969
Investments	8		1,524,104		1,522,957
<b>Total fixed assets</b>			<b>1,526,073</b>		<b>1,524,926</b>
<b>Current assets</b>					
Debtors	9	33,822		58,019	
Investments	8	1,699,740		1,698,462	
Extraordinary repair reserve investments	10	394,693		374,404	
Cash at bank and in hand		628,171		487,933	
		2,756,426		2,618,818	
<b>Creditors: amounts falling due within one year</b>	11	(47,200)		(31,911)	
<b>Net current assets</b>			<b>2,709,226</b>		<b>2,586,907</b>
<b>Net assets</b>			<b>4,235,299</b>		<b>4,111,833</b>
<b>Capital and reserves</b>					
Capital account	12	873,576		873,576	
Investment revaluation reserve	13	725,068		722,643	
Extraordinary repair reserve	14	394,693		374,404	
Revenue reserve	15	2,241,962		2,141,210	
<b>Total capital and reserves</b>			<b>4,235,299</b>		<b>4,111,833</b>

The financial statements on pages 12 to 22 were approved by the Trustee on 06 JUNE 2025 and are signed on its behalf by:



**Jonathon Baker**  
Director



**Katharine Finn**  
Director

The accompanying notes form part of the financial statements.

# The Society of Merchant Venturers' Almshouses Charity

## Principal accounting policies

### Presentation of financial statements

The financial statements have been prepared in accordance with the historical cost convention as modified by the revaluation of investments. They comply with the Statement of Recommended Practice for Accounting by Registered Social Landlords (SORP) (2018), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Accounting Direction for Private Registered Providers of Social Housing 2019.

The accounting policies that the Charity has adopted to determine the amounts included in respect of material items shown in the balance sheet and also to determine the income and expenditure have been applied consistently in the current and preceding year and are shown below.

The Society of Merchant Venturers' Almshouses Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

### Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments, and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)" applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102).

### Going Concern

The Trustee has considered whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustee makes this assessment for a period of twelve months from the date of approval of the financial statements.

Under all the scenarios reviewed, the charity has sufficient reserves to enable it to continue as a going concern for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

### Critical accounting judgements and key sources of estimation uncertainty

In applying the charity's accounting policies, the Trustee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

### Turnover

Turnover represents rental income and maintenance contributions receivable. All turnover is derived from operations in the United Kingdom.

### Expenditure

Expenditure is accounted for on an accruals basis, inclusive of irrecoverable VAT, and is recognised when there is a legal or constructive obligation to pay for expenditure.

### Housing properties

The almshouse is stated at original cost less accumulated depreciation.

# The Society of Merchant Venturers' Almshouses Charity

## Principal accounting policies (continued)

### Fixed assets and depreciation

Depreciation is charged so as to write off assets on a straight-line basis over the expected useful economic lives of the assets concerned. The annual rates used for this purpose have been:

Freehold properties	2%
Building improvements	10%
Fixtures and fittings	20%

Land is not depreciated.

Assets with a cost of less than £1,000 are written off to expenditure during the year.

### Investments

Both current and fixed asset investments are stated at bid-market value in accordance with FRS102.

The income and expenditure account includes the net gains and losses arising on revaluations and disposals during the year.

### Extraordinary repair reserve

An amount is transferred annually from revenue to this reserve to provide for major expenditure of an extraordinary nature (notes 10 and 14). The amount so transferred is authorised by the Charity Commission.

### Irrecoverable VAT

Any irrecoverable VAT is charged to the income and expenditure account or capitalised as part of the cost of the related asset, where appropriate.

### Cash flow statement

A statement of cash flows has not been prepared as the charity has taken advantage of the exemption available in the SORP for smaller charities.

### Taxation

The Society of Merchant Venturers' Almshouses Charity is registered as a charity and as such tax exemption applies to the income arising from and expended on charitable activities and to its investment income and gains.

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2024

### 1 Rental income from residents

Within the rental income from residents is £6,463 relating to service charges (2023: £5,810), of which £2,709 relates to gas recharges based on usage (2023: £2,056).

### 2 Trustee's emoluments

The Trustee did not receive any emoluments or reimbursement of expenses in respect of services during the year (2023: nil), nor had any beneficial interest in any contract with the Charity during the year or in the prior year.

### 3 Employee information

The Charity had no employees in either 2023 or 2024. However, a recharge is made by the Society of Merchant Venturers and The Cote Charity as disclosed in notes 16 and 17.

### 4 Interest receivable and other income

	2024 £	2023 £
Investment income	101,462	124,545
Other income	20,625	4,043
	<b>122,088</b>	<b>128,588</b>

### 5 Interest payable and similar charges

	2024 £	2023 £
Bank interest and charges	511	615
	<b>511</b>	<b>615</b>

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2024

### 6 (Deficit)/surplus on ordinary activities

	2024 £	2023 £
(Deficit)/Surplus on ordinary activities is stated after charging:		
Audit fee	7,416	7,396
Depreciation on owned assets	2,220	-

The audit fee excluding irrecoverable VAT was £6,180 (2023: £6,163).

### 7 Fixed assets – Almshouses

	Building improvements £	Land and buildings £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2024	164,744	265,287	28,491	458,522
Additions	-	-	2,220	2,220
Disposals	-	-	(4,139)	(4,139)
<b>At 31 December 2024</b>	<b>164,744</b>	<b>265,287</b>	<b>26,572</b>	<b>456,603</b>
<b>Accumulated depreciation</b>				
At 1 January 2024	164,744	265,287	26,522	456,553
Charge for the year	-	-	2,220	2,220
Disposals	-	-	(4,139)	(4,139)
<b>At 31 December 2024</b>	<b>164,744</b>	<b>265,287</b>	<b>24,603</b>	<b>454,634</b>
<b>Net book value</b>				
<b>At 31 December 2024</b>	<b>-</b>	<b>-</b>	<b>1,969</b>	<b>1,969</b>
At 31 December 2023	-	-	1,969	1,969

All properties are freehold and held for the purposes of providing supported housing.

Accumulated depreciation includes amounts historically disclosed as Social Housing Grant, which relate back to depreciation of deemed cost excluding grants received on the original recognition of the property.

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2024

### 8 Investments

#### Fixed asset investment

	2024 £	2023 £
<b>Market value</b>		
At 1 January	1,522,957	1,514,273
Additions at cost	-	-
Revaluation	1,147	8,684
<b>At 31 December</b>	<b>1,524,104</b>	<b>1,522,957</b>
	£	£
<b>Historical cost</b>	<b>868,776</b>	<b>868,776</b>

#### Current asset investment

	2024 £	2023 £
<b>Market value</b>		
At 1 January	1,698,462	1,688,777
Revaluation	1,278	9,685
<b>At 31 December</b>	<b>1,699,740</b>	<b>1,698,462</b>
	£	£
<b>Historical cost</b>	<b>1,630,000</b>	<b>1,630,000</b>

The funds continue to be invested in The Merchant Venturers' Charities Investment Pool ("MVCIP") (Charity Number 1053459).

The current asset investment represents the proceeds of sale of St Nicholas with Burton's in 2007 and the proceeds of sale of Merchants' Almshouse in 2014 and does not form part of the endowment fund of the Charity. The Charity is actively looking for the best use of these funds for new Almshouses to meet its objectives.

Variations in the market value of the investments are shown by way of movement in the investment revaluation reserve (see note 13).

### 9 Debtors

	2024 £	2023 £
<b>Amounts falling due within one year:</b>		
Rent	1,007	19,805
Other debtors	22,979	29,105
Prepayments and accrued income	9,836	9,109
	<b>33,822</b>	<b>58,019</b>

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2024

### 10 Investments held on account of the extraordinary repair reserve

The investments held on account of the extraordinary repair reserve are held by COIF. Withdrawals from the reserve must be approved by the Trustee and income arising from the investments is accumulated in the reserve. The investments are stated at their market value on 31 December 2024. Their historical cost is £74,224 (2023: £72,994).

<b>Market value</b>	<b>2024</b> <b>£</b>	<b>2023</b> <b>£</b>
At 1 January	<b>374,404</b>	332,092
Additions at cost	<b>1,230</b>	1,230
Revaluation to market value	<b>19,059</b>	41,082
<b>At 31 December</b>	<b>394,693</b>	374,404

### 11 Creditors: amounts falling due within one year

	<b>2024</b> <b>£</b>	<b>2023</b> <b>£</b>
Trade creditors	<b>28,872</b>	10,827
Other creditors	<b>2,500</b>	2,500
Accruals and deferred income	<b>15,828</b>	18,584
	<b>47,200</b>	31,911

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2024

### 12 Capital account

	£
At 1 January 2024	873,576
Transfer from income and expenditure account	-
<b>At 31 December 2024</b>	<b>873,576</b>

The capital account and fixed asset investment revaluation reserve form the endowment fund of the Charity.

### 13 Investment revaluation reserve

	Current asset investment £	Fixed asset investment £	Total £
At 1 January 2024	68,462	654,181	722,643
Revaluation to market value	1,278	1,147	2,425
<b>At 31 December 2024</b>	<b>69,740</b>	<b>655,328</b>	<b>725,068</b>

Movements on the investment revaluation reserve represent changes in the market value of the current and fixed asset investments held on account of the share of the Charity in the Merchant Venturers' Charities Investment Pool (see note 8).

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2024

### 14 Extraordinary repair reserve

	£
At 1 January 2024	374,404
Transfer from income and expenditure account	1,230
Investment revaluation for year	19,059
<b>At 31 December 2024</b>	<b>394,693</b>

### 15 Revenue reserve

	£
At 1 January 2024	2,141,210
Surplus on ordinary activities for year	101,982
Transfer to extraordinary repair reserve	(1,230)
<b>At 31 December 2024</b>	<b>2,241,962</b>

### 16 Transactions with related parties

#### Society of Merchant Venturers

The Charity incurred a reallocation of salaries and overhead costs of £15,201 (2023: £14,372) from the Society of Merchant Venturers, to cover the services it provides in relation to the management and administration of the Charity, of which £97 is outstanding at the year-end (2023: £nil).

#### Merchant Venturers' Charities Investment Pool (MVCIP)

SMV Trustee Company Limited is the Trustee of MVCIP and the ultimate controlling party of The Society of Merchant Venturers' Almshouses Charity. For details of investments held and income received from investments in MVCIP, see notes 4 and 8. At 31 December 2024 the charity was owed £22,979 by MVCIP (2023: £29,105).

### 17 Connected charity

The Cote Charity (Registered Charity Number 257237) is a connected charity under the definition of the Charities' SORP 2019 as it has related objects and the same Trustee as The Society of Merchant Venturers' Almshouses Charity. Further information can be obtained from the Charity's registered address detailed on page 1 of the Report of the Trustee.

The Society of Merchant Venturers' Almshouses Charity incurred a charge of £10,107 (2023: £9,710) for the services of the Almshouse Manager and the maintenance officer during the year. At 31 December 2024 £2,527 (2023: £nil) was owed by The Society of Merchant Venturers' Almshouse Charity to The Cote Charity relating to these services.

The Cote Charity recharged The Society of Merchant Venturers' Almshouse Charity for various services during the year including; the cost of a Chaplain of £nil (2023: £275), the cost of a planning certification of £7,558 (2023:£:nil) of which £6,910 was outstanding at 31 December 2024 (2023: £nil) and other sundry items at a cost of £1,023 (2023: £354). At 31 December 2024 £482 (2023: £309) was outstanding.

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2024

The Cote Charity also recharged The Society of Merchant Venturers' Almshouse Charity for insurance premiums during the year of £14,360 with £nil outstanding as at 31 December 2024. In 2023 The Society of Merchant Venturers' Almshouse Charity recharged The Cote Charity £241 for insurance in the year with £nil outstanding at year end.

The Society of Merchant Venturers' Almshouse Charity recharged The Cote Charity £1,524 for a unit of accommodation (2023: £16,013). At 31 December 2024 £97 (2023: £16,013) was outstanding.

### **18 Owned / Managed units (Social Housing)**

#### **Number of units as at 31 December 2024**

The Charity owns 12 units for disadvantaged people of which 10.5 have been fully occupied throughout the year (2023: 8 fully occupied).

#### **Residents' rents**

Residents rents are set using the legislation which prescribes a formula of Consumer Price Index (CPI) + 1%. Where necessary, all or part of the rent can be reclaimed. From 1 April 2024 rent for the Almshouse was £199.97 per week.

The charging of rents produced a contribution net of voids over the year of £110,706 (2023: £96,216).

**THE SOCIETY OF MERCHANT VENTURERS ALMSHOUSES CHARITY**

England & Wales - Charity number 202152

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# Accounts

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Homes & Community Agency Registered Number: A3603  
Charity Registered Number: 202152

**The Society of Merchant Venturers'  
Almshouses Charity**

**Annual report and financial statements  
for the year ended 31 December 2023**

# The Society of Merchant Venturers' Almshouses Charity

## Annual report and financial statements for the year ended 31 December 2023

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# The Society of Merchant Venturers' Almshouses Charity

## Report of the Trustee for the year ended 31 December 2023

The Trustee presents its annual report and the audited financial statements for the year ended 31 December 2023.

These financial statements have been prepared in accordance with the Trust deed, the Statement of Recommended Practice "Accounting by Registered Social Landlords" (updated 2019), the Accounting Direction for Private Registered Providers of Social Housing 2019 and FRS 102.

### Trustee, officers and advisers

The Trustee of the Charity is SMV Trustee Company Limited.

Listed below are those members who have served on the Board of SMV Trustee Company Limited during the year:

Michael Bothamley	
Robert Bourns	
Jonathon Baker	
Patrick Despard	
David Freed	
Gillian Camm	
Ross Ancell	(Retired 10 November 2023)
Martin Thatcher	(Retired 10 November 2023)
Dr Steve Allpress	(Retired 10 November 2023)
Nick Baker	
Karl Tucker	
Katharine Finn	
David Powell	
Mark Burchfield	
Heather Frankham	
Professor Sir Steven West	(Appointed 10 November 2023)
Laura Marshall	(Appointed 10 November 2023)
Tracey Killen	(Appointed 10 November 2023)

### Registered address of the Charity

Merchants' Hall  
The Promenade  
Clifton  
Bristol  
BS8 3NH

**Charity Number:** 202152

**Housing Association Number:** A3603

# **The Society of Merchant Venturers' Almshouses Charity**

## **Report of the Trustee for the year ended 31 December 2023 (continued)**

### **Names and addresses of other relevant organisations**

#### **Auditor**

Bishop Fleming, 10 Temple Back, Bristol, BS1 6FL

#### **Banker**

NatWest Bank plc, 32 Corn Street, Bristol, BS99 7UG

#### **Solicitor**

Womble Bond Dickinson (UK) LLP, 3 Temple Quay, Temple Back East, Bristol, BS1 6DZ

#### **Investment Managers**

Evelyn Partners Investment Management LLP, Portwall Place, Portwall Lane, Bristol, BS1 6NA  
(via the Merchant Venturers' Charities Investment Pool (MVCIP), Charity Number 1053459)

COIF Charity Funds, CCLA Investment Management Ltd, 80 Cheapside, London, EC2V 6DZ

### **Reference and administrative information**

The Almshouses Charity is a Registered Social Landlord (Homes & Community Agency number A3603) and a charity registered with the Charity Commission (charity registration number 202152).

The information with respect to the Trustee, officers and advisers set out on page 1 forms part of this report.

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

#### **Governing document**

The Charity is constituted under a Charity Commission Scheme dated 29 May 1985 as amended by a Scheme dated 8 May 1991, 2 May 1996 and 3 January 2017 and is a registered charity, number 202152.

#### **Governing body and organisational management**

The Trustee of the Charity is SMV Trustee Company Limited, a company limited by guarantee. All the members of the Society of Merchant Venturers' Standing Committee are Directors of SMV Trustee Company Limited.

The Trustee meets to consider, at least on a quarterly basis, the broad strategy, direction and investment policy of the Charity.

Assisting the Trustee are the Care of Older People Sub Committee, the Audit Sub-Committee, the Investment Strategy Group, the Finance and Investment Sub-Committee and the Conflicts of Interest Advisory Sub-Committee.

# The Society of Merchant Venturers' Almshouses Charity

## Report of the Trustee for the year ended 31 December 2023 (continued)

### Governing body and organisational management (continued)

The Charity is a Registered Social Landlord and, under the supervision of the Trustee, is managed by the Care of Older People Sub-Committee of the Society of Merchant Venturers, the members of which are:

Dr Jacqueline Cornish (Chair)  
Caroline Duckworth  
Anne Nisbet (Resigned 10 November 2023)  
Charles Densham (Resigned 10 November 2023)  
Mary Prior (Resigned 10 November 2023)  
Charles Griffiths  
Anthony Brown (Retired 27 January 2023)  
Edward Ware  
David Marsh  
Sir Jay Tidmarsh  
Chris Patterson (Appointed 10 November 2023)  
David Freed (Appointed 10 November 2023)  
Helen Currie (Appointed 10 November 2023)

The Sub-Committee meets at least quarterly to oversee and administer the efficient management of the Charity and to consider and subsequently recommend and gain approval from the Trustee for broad operational and strategic issues. The tenure of membership is 3 years, re-electable for a further 3 years and, in special circumstances, tenure can be extended. The induction process for any newly appointed member includes an initial meeting and site visits with the Chairman.

The Conflicts of Interest Advisory Sub-Committee comprises of two individuals with no connection to either SMV or SMV TCL who can advise on areas where a conflict of interest might arise. As detailed in note 16, the Society of Merchant Venturers provided administrative services to the charities of which SMV TCL was trustee and (as permitted by the Charity Commission) made a charge for these. The Conflicts of Interest Advisory Sub-Committee has reviewed these charges and made a recommendation to the board of SMV TCL that the proposed charges are, in the opinion of the members of the Sub-Committee appropriate.

Accounting support is provided by the Society of Merchant Venturers' Finance department.

### Recruitment and training of the Trustee

The Directors of SMV Trustee Company Limited are elected annually from within the membership of the Society and are appraised of the general duties of a trustee. In the event of significant changes to legislation or best practice, further relevant training is undertaken. The management and strategy of the Charity are considered in greater detail by the Care of Older People Sub-Committee. The members of this Sub-Committee bring with them the necessary financial, property and care skills that enable them to deal both with more immediate issues as well as to assess, monitor and make the necessary recommendations for the future strategic direction and well-being of the Charity.

# **The Society of Merchant Venturers' Almshouses Charity**

## **Report of the Trustee for the year ended 31 December 2023 (continued)**

### **Risk management**

In the light of the Corporate Governance guidance contained within the Statement of Recommended Practice 2019 "Accounting and Reporting by Charities", the Trustee examined the major risks faced by the Charity.

The Trustee continues to monitor and manage ongoing risks relating to areas such as the achievement of the charitable objects and the protection of the charity's assets. Systems are in place to monitor and control these risks to mitigate the impact that they may have on the charity in the future.

The Merchant Venturers' Audit Committee is responsible for assessing the scope and effectiveness of the systems and processes established by management to identify, assess, manage and monitor the financial and non-financial risks. The risk register is reviewed and updated as required and no less frequently than twice yearly by Management and by the Care of Older People Sub-Committee. It is reviewed by the Merchant Venturers' Audit Committee and is noted by the Trustee.

The Charity is reliant on the income from its investments and on the income from residents to enable it to provide accommodation in the furtherance of its charitable objectives. The charity does however have reserves in significant excess of its annual expenditure and therefore if required it could meet expenditure from these reserves.

### **Objectives and activities**

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

### **Objects of the Charity**

The objects of the Charity, defined in the Charity Commission Scheme, which should be referred to for exact details, are:

"To provide Almshouses for poor persons of good character who (except in special cases to be approved by the Charity Commission) are inhabitants of the City of Bristol."

During the year the Charity has continued to provide accommodation for older people in accordance with the terms of the Scheme via the 12 self-contained accommodation units.

### **Aims and intended impact**

The aim of the Charity is to provide affordable, suitable and fit for purpose accommodation for persons of good character. The Trustee has given careful consideration to the level of fees set for the Almshouse and has adhered to the legislation which prescribes a formula of Consumer Price Index (CPI) + 1%. This enables residents to meet their fees for rents wholly from Housing Benefit or Universal Credit (where they are eligible individuals).

### **Objectives for the year**

This year the focus has been ensuring that the Almshouse is operated, equipped and maintained to meet both current and future social housing requirements.

# The Society of Merchant Venturers' Almshouses Charity

## Report of the Trustee for the year ended 31 December 2023 (continued)

### Strategies to achieve the objectives

The future short and long-term maintenance needs of the Almshouse have been considered in the light of changing requirements of the residents. The Almshouse should receive sufficient investment to meet expectations of future residents.

### Achievements and performance

Throughout the year the Almshouse has provided 12 flats to those in need at social housing rates. Occupants of this close-knit community enjoy all the advantages of a historic building and setting but located in an inner-city environment. The Trustee continues to monitor and maintain the building for the benefit of the residents and improve units, as they become vacant.

### Financial review

The operating surplus for the year was £32,824 (2022: £580 deficit).

The statement on page 12 shows a total comprehensive income for the year of £220,248 (2022: £407,835 deficit). The increase from 2022 to 2023 is due to increased rental and investment income, alongside a unrealised gain in the market value of investments in 2023 compared to an unrealised loss in 2022.

### Investment policy and performance

The Trustee has delegated investment management to the Merchant Venturers' Finance and Investment Sub-Committee, including the investment and performance of the financial assets; the appointment of appropriate Fund Managers and monitoring their performance; and to recommend to the Trustee optimum strategy for financial investment.

The Merchant Venturers Finance and Investment Sub-Committee's policy is to increase income whilst preserving the real value of the investments. The income provides unrestricted funds to enable the Trustee to pursue the objects of the Charity, including plans for the future. The funds continue to be invested in The Merchant Venturers' Charities Investment Pool ("MVCIP") (Charity Number 1053459).

During 2023 a tug of war between inflation and interest rates played out across continents. Many central banks had the delicate task of curbing inflation without it stifling the economy. The UK grappled with sticky inflation, and this posed challenges to both consumers and policymakers. At the start of the year Consumer Price Inflation (CPI) hit a record 10.7% by October it had declined to 4.6% but it remained higher than the US (3.2%) and the eurozone (2.9%). 2023 saw the lowest percentage of stocks outperforming the index over the past 25 years, with the "Magnificent Seven" driving equity returns in 2023 with returns dwarfing the US and International market returns. Developed equity valuations (led by the US market) are close again to previous peaks.

The total return of the investment portfolio in the year was a gain of 5.05% versus the benchmark of 10.38% (2022: loss of 10.6% versus the benchmark loss of 8.1%).

### Reserves policy

The Trustee aims as far as possible to maintain two years of resources expended in the revenue reserve. At 31 December 2023 the revenue reserve was at £2,141,210 (2022: £1,981,643).

The revenue reserve also includes the proceeds of sale of St Nicholas with Burton's Almshouse (£830,000) and Merchants' Almshouse (£620,000) which will be used for reprovion.

The Extraordinary Repair Reserve of £374,404 at 31 December 2023 (2022: £332,092) provides for major maintenance and repair of an extraordinary and irregular nature. This policy is subject to annual review. The Trustee transfers £1,230 into the Extraordinary Repair Reserve on an annual basis.

# **The Society of Merchant Venturers' Almshouses Charity**

## **Report of the Trustee for the year ended 31 December 2023 (continued)**

### **Going concern**

The financial statements have been prepared on a going concern basis which the Trustee considers to be appropriate for the following reasons.

The Trustee has prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the charity will have sufficient funds to meet its liabilities as they fall due for that period.

The downside scenarios considered by the Trustee include a situation where income is significantly reduced. The Charity has current assets considerably in excess of its liabilities and, even with a significant fall in income, has sufficient resources to meet its liabilities as they fall due throughout the forecast period.

Consequently, the Trustee is confident that the Charity will have sufficient funds to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore has prepared the financial statements on a going concern basis.

### **Governance and Financial Viability**

In accordance with the Accounting Direction for Private Registered Providers of Social Housing 2019, the Trustee certifies compliance with the governance and financial viability standard.

### **Future plans**

Following an acknowledgement of the need to plan for and meet changing needs and expectations a strategic review of the future of the Almshouses was conducted during 2023.

It is planned to use the proceeds of the sale of Merchants' Almshouse in 2014 together with the proceeds of the sale in 2007 of St Nicholas with Burton's Almshouse, in the re-provision of new almshouse accommodation. During 2023 a further review of opportunities within the area of benefit has been undertaken.

In 2024 the Trustee will continue to explore opportunities to work in partnership with other Charities to achieve this aim.

# The Society of Merchant Venturers' Almshouses Charity

## Report of the Trustee for the year ended 31 December 2023 (continued)

### Accounting and reporting responsibilities

#### Statement of Trustee's responsibilities in respect of the Trustee's Annual Report and the financial statements

Under charity law, the trustees are responsible for preparing a Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The trustees are required to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping accounting records which are sufficient to show and explain the charity's transactions and disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the financial and other information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed for and on behalf of the Trustee



**M Bothamley**  
Director

Merchants' Hall, The Promenade, Clifton, Bristol, BS8 3NH

Date: 7 JUNE 2024

# Independent Auditor's Report to the Trustee of The Society of Merchant Venturers' Almshouses Charity

## Opinion

We have audited the financial statements of The Society of Merchant Venturers' Almshouses Charity ("the charity") for the year ended 31 December 2023 which comprise the Statement of Financial Activities, Balance Sheet and notes to the financial statements, including significant accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with 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 Auditor's 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 Trustee's 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 Trustee with respect to going concern are described in the relevant sections of this report.

## Other information

The other information comprises the information included in the Trustee's annual report, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information contained within the report. 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.

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 course of 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.

# **Independent auditor's report to the Trustee of The Society of Merchant Venturers' Almshouses Charity (continued)**

## **Matters on which we are required to report by exception**

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

- the information given in the financial statements is inconsistent in any material respect with the Trustee's report; or
- the charity has not kept adequate accounting records; 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 the Trustee**

As explained more fully in the Trustee's responsibilities statement, the Trustee is responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustee determines 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 Trustee is 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 Trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 an auditor's report 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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and the charity's performance;
- results of our enquiries of management and the Trustee Board, including the committees charged with governance over the charity's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charity's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;

## Independent auditor's report to the Trustee of The Society of Merchant Venturers' Almshouses Charity (continued)

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011 and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of income;
- enquiring of the Trustee and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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 would become aware of it.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/library/standards-codes-policy/audit-assurance-and-ethics/auditors-responsibilities-for-the-audit/>. This description forms part of our auditor's report.

## **Independent auditor's report to the Trustee of The Society of Merchant Venturers' Almshouses Charity (continued)**

### **Use of our report**

This report is made solely to the charity's Trustee, 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 Trustee those matters we are required to state to them in an auditor's 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 Trustee as a body, for our audit work, for this report, or for the opinions we have formed.



**Chris Trantham FCA (Senior Statutory Auditor)**

For and on behalf of

**Bishop Fleming LLP**

Chartered Accountants

Statutory Auditors

10 Temple Back

Bristol

BS1 6FL

Date: 8 JULY 2024

Bishop Fleming LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# The Society of Merchant Venturers' Almshouses Charity

## Statement of comprehensive income for the year ended 31 December 2023

	Notes	2023		2022	
		£	£	£	£
<b>Turnover</b>					
Rental income		110,934		103,811	
Services charges	1	5,810		6,274	
Less: Rent losses from voids		(20,528)		(18,669)	
Net contribution			96,216		91,416
Other rental income			62,538		44,350
			158,754		135,766
<b>Operating costs</b>					
Services		52,926		56,896	
Management	16 & 17	18,793		17,191	
Routine maintenance		54,211		50,499	
Depreciation		-		11,760	
			(125,930)		(136,346)
<b>Operating surplus/(deficit)</b>			32,824		(580)
Unrealised gain/(loss) on investments					
	8	18,369		(488,426)	
Unrealised gain/(loss) on investments of designated reserves					
	10 & 14	41,082		(32,730)	
<b>Net revaluation surplus/(deficit)</b>			59,451		(521,156)
Interest receivable and other income					
	4	128,588		114,299	
Interest payable and similar expenses					
	5	(615)		(398)	
<b>Total comprehensive income/(deficit) for the year</b>			220,248		(407,835)

The results presented above relate wholly to continuing activities.

There is no difference between the deficit on ordinary activities for the year as stated above and their historical cost equivalents.

The accompanying notes form part of the financial statements.

# The Society of Merchant Venturers' Almshouses Charity

## Balance sheet at 31 December 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Housing properties	7		1,969		-
Investments	8		1,522,957		1,514,273
<b>Total fixed assets</b>			<b>1,524,926</b>		<b>1,514,273</b>
<b>Current assets</b>					
Debtors	9	58,019		36,886	
Investments	8	1,698,462		1,688,777	
Extraordinary repair reserve investments	10	374,404		332,092	
Cash at bank and in hand		487,933		341,518	
			<b>2,618,818</b>		<b>2,399,273</b>
<b>Creditors: amounts falling due within one year</b>	11	<b>(31,911)</b>		<b>(21,961)</b>	
<b>Net current assets</b>			<b>2,586,907</b>		<b>2,377,312</b>
<b>Net assets</b>			<b>4,111,833</b>		<b>3,891,585</b>
<b>Capital and reserves</b>					
Capital account	12	873,576		873,576	
Investment revaluation reserve	13	722,643		704,274	
Extraordinary repair reserve	14	374,404		332,092	
Revenue reserve	15	2,141,210		1,981,643	
<b>Total capital and reserves</b>			<b>4,111,833</b>		<b>3,891,585</b>

The financial statements on pages 12 to 22 were approved by the Trustee on **7 JUNE 2024** and are signed on its behalf by:



Michael Bothamley  
Director



Robert Bourns  
Director

The accompanying notes form part of the financial statements.

# The Society of Merchant Venturers' Almshouses Charity

## Principal accounting policies

### Presentation of financial statements

The financial statements have been prepared in accordance with the historical cost convention as modified by the revaluation of investments. They comply with the Statement of Recommended Practice for Accounting by Registered Social Landlords (SORP) (2018), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Accounting Direction for Private Registered Providers of Social Housing 2019.

The accounting policies that the Charity has adopted to determine the amounts included in respect of material items shown in the balance sheet and also to determine the income and expenditure have been applied consistently in the current and preceding year and are shown below.

The Society of Merchant Venturers' Almshouses Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

### Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments, and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)" applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102).

### Going Concern

The Trustee has considered whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustee makes this assessment for a period of twelve months from the date of approval of the financial statements.

Under all the scenarios reviewed, the charity has sufficient reserves to enable it to continue as a going concern for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

### Critical accounting judgements and key sources of estimation uncertainty

In applying the charity's accounting policies, the Trustee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

### Turnover

Turnover represents rental income and maintenance contributions receivable. All turnover is derived from operations in the United Kingdom.

### Expenditure

Expenditure is accounted for on an accruals basis, inclusive of irrecoverable VAT, and is recognised when there is a legal or constructive obligation to pay for expenditure.

### Housing properties

The almshouse is stated at original cost less accumulated depreciation.

# The Society of Merchant Venturers' Almshouses Charity

## Principal accounting policies (continued)

### Fixed assets and depreciation

Depreciation is charged so as to write off assets on a straight-line basis over the expected useful economic lives of the assets concerned. The annual rates used for this purpose have been:

Freehold properties	2%
Building improvements	10%
Fixtures and fittings	20%

Land is not depreciated.

Assets with a cost of less than £1,000 are written off to expenditure during the year.

### Investments

Both current and fixed asset investments are stated at bid-market value in accordance with FRS102.

The income and expenditure account includes the net gains and losses arising on revaluations and disposals during the year.

### Extraordinary repair reserve

An amount is transferred annually from revenue to this reserve to provide for major expenditure of an extraordinary nature (notes 10 and 14). The amount so transferred is authorised by the Charity Commission.

### Apportionment order

The apportionment order recoups capital expenditure on the renovation of the St Nicholas with Burton's Almshouses from 20 August 1996 to 27 October 1997 (note 12). Payment was made over 25 years by way of annual contributions pursuant of a Charity Commission order dated 2 May 1996 and is invested in the Merchant Venturers' Charities Investment Pool ("MVCIP") (Charity Number 1053459).

### Irrecoverable VAT

Any irrecoverable VAT is charged to the income and expenditure account or capitalised as part of the cost of the related asset, where appropriate.

### Cash flow statement

A statement of cash flows has not been prepared as the charity has taken advantage of the exemption available in the SORP for smaller charities.

### Taxation

The Society of Merchant Venturers' Almshouses Charity is registered as a charity and as such tax exemption applies to the income arising from and expended on charitable activities and to its investment income and gains.

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2023

### 1 Rental income from residents

Within the rental income from residents is £5,810 relating to service charges (2022: £6,274).

### 2 Trustee's emoluments

The Trustee did not receive any emoluments or reimbursement of expenses in respect of services during the year (2022: nil), nor had any beneficial interest in any contract with the Charity during the year or in the prior year.

### 3 Employee information

The Charity had no employees in either 2022 or 2023. However, a recharge is made by the Society of Merchant Venturers and The Cote Charity as disclosed in notes 16 and 17.

### 4 Interest receivable and other income

	2023 £	2022 £
Investment income	124,545	114,013
Other income	4,043	286
	<b>128,588</b>	<b>114,299</b>

### 5 Interest payable and similar charges

	2023 £	2022 £
Bank interest and charges	615	398
	<b>615</b>	<b>398</b>

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2023

### 6 (Deficit)/surplus on ordinary activities

	2023 £	2022 £
(Deficit)/Surplus on ordinary activities is stated after charging:		
Audit fee	7,396	5,316
Depreciation on owned assets	-	11,760

The audit fee excluding irrecoverable VAT was £6,163 (2022: £4,430).

### 7 Fixed assets – Almshouses

	Building improvements £	Land and buildings £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2023	164,744	265,287	26,522	456,553
Additions	-	-	1,969	1,969
<b>At 31 December 2023</b>	<b>164,744</b>	<b>265,287</b>	<b>28,491</b>	<b>458,522</b>
<b>Accumulated depreciation</b>				
At 1 January 2023	164,744	265,287	26,522	456,553
Charge for the year	-	-	-	-
<b>At 31 December 2023</b>	<b>164,744</b>	<b>265,287</b>	<b>26,522</b>	<b>456,553</b>
<b>Net book value</b>				
<b>At 31 December 2023</b>	<b>-</b>	<b>-</b>	<b>1,969</b>	<b>1,969</b>
At 31 December 2022	-	-	-	-

All properties are freehold and held for the purposes of providing supported housing.

Accumulated depreciation includes amounts historically disclosed as Social Housing Grant, which relate back to depreciation of deemed cost excluding grants received on the original recognition of the property.

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2023

### 8 Investments

#### Fixed asset investment

	2023 £	2022 £
<b>Market value</b>		
At 1 January	1,514,273	1,140,381
Additions at cost	-	604,800
Revaluation	8,684	(230,908)
<b>At 31 December</b>	<b>1,522,957</b>	<b>1,514,273</b>
	£	£
<b>Historical cost</b>	<b>868,776</b>	<b>868,776</b>

#### Current asset investment

	2023 £	2022 £
<b>Market value</b>		
At 1 January	1,688,777	1,946,295
Revaluation	9,685	(257,518)
<b>At 31 December</b>	<b>1,698,462</b>	<b>1,688,777</b>
	£	£
<b>Historical cost</b>	<b>1,630,000</b>	<b>1,630,000</b>

The funds continue to be invested in The Merchant Venturers' Charities Investment Pool ("MVCIP") (Charity Number 1053459).

The current asset investment represents the proceeds of sale of St Nicholas with Burton's in 2007 and the proceeds of sale of Merchants' Almshouse in 2014 and does not form part of the endowment fund of the Charity. The Charity is actively looking for the best use of these funds for new Almshouses to meet its objectives.

Variations in the market value of the investments are shown by way of movement in the investment revaluation reserve (see note 13).

### 9 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Rent	19,805	39
Other debtors	29,105	32,337
Prepayments and accrued income	9,109	4,510
	<b>58,019</b>	<b>36,886</b>

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2023

### 10 Investments held on account of the extraordinary repair reserve

The investments held on account of the extraordinary repair reserve are held by COIF. Withdrawals from the reserve must be approved by the Trustee and income arising from the investments is accumulated in the reserve. The investments are stated at their market value on 31 December 2023. Their historical cost is £72,994 (2022: £71,764).

<b>Market value</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
At 1 January	<b>332,092</b>	363,592
Additions at cost	<b>1,230</b>	1,230
Revaluation to market value	<b>41,082</b>	(32,730)
<b>At 31 December</b>	<b>374,404</b>	332,092

### 11 Creditors: amounts falling due within one year

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Other creditors	<b>13,327</b>	5,793
Accruals and deferred income	<b>18,584</b>	16,168
	<b>31,911</b>	21,961

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2023

### 12 Capital account

	£
At 1 January 2023	873,576
Transfer from income and expenditure account	-
<b>At 31 December 2023</b>	<b>873,576</b>

The capital account and fixed asset investment revaluation reserve form the endowment fund of the Charity. A transfer from income and expenditure has historically been made under an apportionment order which has now ceased (see accounting policies).

### 13 Investment revaluation reserve

	Current asset investment £	Fixed asset investment £	Total £
At 1 January 2023	58,777	645,497	704,274
Revaluation to market value	9,685	8,684	18,369
<b>At 31 December 2023</b>	<b>68,462</b>	<b>654,181</b>	<b>722,643</b>

Movements on the investment revaluation reserve represent changes in the market value of the current and fixed asset investments held on account of the share of the Charity in the Merchant Venturers' Charities Investment Pool (see note 8).

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2023

### 14 Extraordinary repair reserve

	£
At 1 January 2023	332,092
Transfer from income and expenditure account	1,230
Investment revaluation for year	41,082
<b>At 31 December 2023</b>	<b>374,404</b>

### 15 Revenue reserve

	£
At 1 January 2023	1,981,643
Surplus on ordinary activities for year	160,797
Transfer to extraordinary repair reserve	(1,230)
Transfer to capital account	-
<b>At 31 December 2023</b>	<b>2,141,210</b>

### 16 Transactions with related parties

#### Society of Merchant Venturers

The Charity incurred a reallocation of salaries and overhead costs of £14,372 (2022: £13,005) from the Society of Merchant Venturers, to cover the services it provides in relation to the management and administration of the Charity, of which £nil is outstanding at the year-end (2022: £nil).

#### Merchant Venturers' Charities Investment Pool (MVCIP)

SMV Trustee Company Limited is the Trustee of MVCIP and the ultimate controlling party of The Society of Merchant Venturers' Almshouses Charity. For details of investments held and income received from investments in MVCIP, see notes 4 and 8. At 31 December 2023 the charity was owed £29,105 by MVCIP (2022: £nil).

### 17 Connected charity

The Cote Charity (Registered Charity Number 257237) is a connected charity under the definition of the Charities' SORP 2019 as it has related objects and the same Trustee as The Society of Merchant Venturers' Almshouses Charity. Further information can be obtained from the Charity's registered address detailed on page 1 of the Report of the Trustee.

The Society of Merchant Venturers' Almshouses Charity incurred a charge of £9,710 (2022: £9,796) for the services of the Almshouse Manager and the maintenance officer. At 31 December 2023 £nil (2022: £nil) was owed by The Society of Merchant Venturers' Almshouse Charity to The Cote Charity relating to these services. The Cote Charity recharged The Society of Merchant Venturers' Almshouse Charity for various services during the year including; the cost of a Chaplain of £275 (2022: £1,054) and other sundry items at a cost of £354 (2022: £6,225). At 31 December 2023 £309 (2022: £522) was outstanding. The Society of Merchant Venturers' Almshouse Charity recharged The Cote Charity £45,702 for insurance in the year (2022 £nil and £16,013 for a unit of accommodation (2022: £nil). At 31 December 2023 £16,013 (2022: £nil) was outstanding.

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2023

### 18 Owned / Managed units (Social Housing)

#### Number of units as at 31 December 2023

The Charity owns 12 units for disadvantaged people of which 8 have been fully occupied throughout the year (2022: 12 fully occupied).

#### Residents' rents

Residents rents are set using the legislation which prescribes a formula of Consumer Price Index (CPI) + 1%. Where necessary, all or part of the rent can be reclaimed. From 1 April 2023 rent for the Almshouse was £186.10 per week.

The charging of rents produced a contribution net of voids over the year of £96,216 (2022: £85,142).

**THE SOCIETY OF MERCHANT VENTURERS ALMSHOUSES CHARITY**

England & Wales - Charity number 202152

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# Accounts

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Homes & Community Agency Registered Number: A3603  
Charity Registered Number: 202152

**The Society of Merchant Venturers'  
Almshouses Charity**

**Annual report and financial statements  
for the year ended 31 December 2022**

# The Society of Merchant Venturers' Almshouses Charity

## Annual report and financial statements for the year ended 31 December 2022

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# The Society of Merchant Venturers' Almshouses Charity

## Report of the Trustee for the year ended 31 December 2022

The Trustee presents its annual report and the audited financial statements for the year ended 31 December 2022.

These financial statements have been prepared in accordance with the Trust deed, the Statement of Recommended Practice "Accounting by Registered Social Landlords" (updated 2019), the Accounting Direction for Private Registered Providers of Social Housing 2019 and FRS 102.

### Trustee, officers and advisers

The Trustee of the Charity is SMV Trustee Company Limited.

Listed below are those members who have served on the Board of SMV Trustee Company Limited during the year:

Patrick Despard	
Michael Bothamley	
Robert Bourns	
David Freed	
Gillian Camm	
Ross Ancell	
Charles Griffiths	(Retired 10 November 2022)
Alan Lewis	(Retired 10 November 2022)
Mohammed Saddiq	(Retired 10 November 2022)
Jonathon Baker	
Martin Thatcher	
Dr Steve Allpress	
Nick Baker	
Karl Tucker	
Katharine Finn	
David Powell	(Appointed 10 November 2022)
Mark Burchfield	(Appointed 10 November 2022)
Heather Frankham	(Appointed 10 November 2022)

### Registered address of the Charity

Merchants' Hall  
The Promenade  
Clifton  
Bristol  
BS8 3NH

**Charity Number:** 202152

**Housing Association Number:** A3603

# **The Society of Merchant Venturers' Almshouses Charity**

## **Report of the Trustee for the year ended 31 December 2022 (continued)**

### **Names and addresses of other relevant organisations**

#### **Auditor**

KPMG LLP, 66 Queen Square, Bristol, BS1 4BE

#### **Banker**

NatWest Bank plc, 32 Corn Street, Bristol, BS99 7UG

#### **Solicitor**

Womble Bond Dickinson (UK) LLP, 3 Temple Quay, Temple Back East, Bristol, BS1 6DZ

#### **Investment Managers**

Evelyn Partners Investment Management LLP, Portwall Place, Portwall Lane, Bristol, BS1 6NA  
(via the Merchant Venturers' Charities Investment Pool (MVCIP), Charity Number 1053459)

COIF Charity Funds, CCLA Investment Management Ltd, 80 Cheapside, London, EC2V 6DZ

### **Reference and administrative information**

The Almshouses Charity is a Registered Social Landlord (Homes & Community Agency number A3603) and a charity registered with the Charity Commission (charity registration number 202152).

The information with respect to the Trustee, officers and advisers set out on page 1 forms part of this report.

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

#### **Governing document**

The Charity is constituted under a Charity Commission Scheme dated 29 May 1985 as amended by a Scheme dated 8 May 1991, 2 May 1996 and 3 January 2017 and is a registered charity, number 202152.

#### **Governing body and organisational management**

The Trustee of the Charity is SMV Trustee Company Limited, a company limited by guarantee. All the members of the Society of Merchant Venturers' Standing Committee are Directors of SMV Trustee Company Limited.

The Trustee meets to consider, at least on a quarterly basis, the broad strategy, direction and investment policy of the Charity.

Assisting the Trustee are the Care of Older People Sub Committee, the Audit Sub-Committee, the Investment Strategy Group, the Finance and Investment Sub-Committee and the Conflicts of Interest Advisory Sub-Committee.

# The Society of Merchant Venturers' Almshouses Charity

## Report of the Trustee for the year ended 31 December 2022 (continued)

### Governing body and organisational management (continued)

The Charity is a Registered Social Landlord and, under the supervision of the Trustee, is managed by the Care of Older People Sub-Committee of the Society of Merchant Venturers, the members of which are:

Dr Jacqueline Cornish (Chair)  
Caroline Duckworth  
Anne Nisbet  
Charles Densham  
Mary Prior  
Charles Griffiths  
Anthony Brown (Retired 27 January 2023)  
Edward Ware  
David Marsh  
Sir Jay Tidmarsh (Appointed 10 November 2022)

The Sub-Committee meets at least quarterly to oversee and administer the efficient management of the Charity and to consider and subsequently recommend and gain approval from the Trustee for broad operational and strategic issues. The tenure of membership is 3 years, re-electable for a further 3 years and, in special circumstances, tenure can be extended. The induction process for any newly appointed member includes an initial meeting and site visits with the Chairman.

The Conflicts of Interest Advisory Sub-Committee comprises of two individuals with no connection to either SMV or SMV TCL who can advise on areas where a conflict of interest might arise. As detailed in note 16, the Society of Merchant Venturers provided administrative services to the charities of which SMV TCL was trustee and (as permitted by the Charity Commission) made a charge for these. The Conflicts of Interest Advisory Sub-Committee has reviewed these charges and made a recommendation to the board of SMV TCL that the proposed charges are, in the opinion of the members of the Sub-Committee appropriate.

Accounting support is provided by the Merchant Venturers' Finance department.

### Recruitment and training of the Trustee

The Directors of SMV Trustee Company Limited are elected annually from within the membership of the Society and are appraised of the general duties of a trustee. In the event of significant changes to legislation or best practice, further relevant training is undertaken. The management and strategy of the Charity are considered in greater detail by the Care of Older People Sub-Committee. The members of this Sub-Committee bring with them the necessary financial, property and care skills that enable them to deal both with more immediate issues as well as to assess, monitor and make the necessary recommendations for the future strategic direction and well-being of the Charity.

# The Society of Merchant Venturers' Almshouses Charity

## Report of the Trustee for the year ended 31 December 2022 (continued)

### Risk management

In the light of the Corporate Governance guidance contained within the Statement of Recommended Practice 2019 "Accounting and Reporting by Charities", the Trustee examined the major risks faced by the Charity.

The Trustee continues to monitor and manage ongoing risks relating to areas such as the achievement of the charitable objects and the protection of the charity's assets. Systems are in place to monitor and control these risks to mitigate the impact that they may have on the charity in the future.

The Merchant Venturers' Audit Committee is responsible for assessing the scope and effectiveness of the systems and processes established by management to identify, assess, manage and monitor the financial and non-financial risks. The risk register is reviewed and updated as required and no less frequently than twice yearly by Management and by the Care of Older People Sub-Committee. It is reviewed by the Merchant Venturers' Audit Committee and is noted by the Trustee.

The Charity is reliant on the income from its investments and on the income from residents to enable it to provide accommodation in the furtherance of its charitable objectives. The charity does however have reserves in significant excess of its annual expenditure and therefore if required it could meet expenditure from these reserves.

### Objectives and activities

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

### Objects of the Charity

The objects of the Charity, defined in the Charity Commission Scheme, which should be referred to for exact details, are:

"To provide Almshouses for poor persons of good character who (except in special cases to be approved by the Charity Commission) are inhabitants of the City of Bristol."

During the year the Charity has continued to provide accommodation for older people in accordance with the terms of the Scheme via the 12 self-contained accommodation units.

### Aims and intended impact

The aim of the Charity is to provide affordable, suitable and fit for purpose accommodation for persons of good character. The Trustee has given careful consideration to the level of fees set for the Almshouse and has adhered to the legislation which prescribes a formula of Consumer Price Index (CPI) + 1%. This enables residents to meet their fees for rents wholly from Housing Benefit or Universal Credit (where they are eligible individuals).

### Objectives for the year

This year the focus has been ensuring that the Almshouse is operated, equipped and maintained to meet both current and future social housing requirements.

# The Society of Merchant Venturers' Almshouses Charity

## Report of the Trustee for the year ended 31 December 2022 (continued)

### Strategies to achieve the objectives

The future short and long-term maintenance needs of the Almshouse have been considered in the light of changing requirements of the residents. The Almshouse should receive sufficient investment to meet expectations of future residents.

### Achievements and performance

Throughout the year the Almshouse has provided 12 flats to those in need at social housing rates. Occupants of this close-knit community enjoy all the advantages of a historic building and setting but located in an inner-city environment. The Trustee continues to monitor and maintain the building for the benefit of the residents and improve units, as they become vacant.

### Financial review

The operating deficit for the year was (£580) (2021: £23,188 surplus).

The statement on page 12 shows a total comprehensive income deficit for the year of (£407,835) (2021: £364,079 surplus). The decrease from 2021 to 2022 is largely due to an unrealised loss in the value of investments totalling (£488,426) (2021: £193,943 unrealised gain).

### Investment policy and performance

The Trustee has delegated investment management to the Merchant Venturers' Finance and Investment Sub-Committee, including the investment and performance of the financial assets; the appointment of appropriate Fund Managers and monitoring their performance; and to recommend to the Trustee optimum strategy for financial investment.

The Merchant Venturers Finance and Investment Sub-Committee's policy is to increase income whilst preserving the real value of the investments. The income provides unrestricted funds to enable the Trustee to pursue the objects of the Charity, including plans for the future. The funds continue to be invested in The Merchant Venturers' Charities Investment Pool ("MVCIP") (Charity Number 1053459).

The year ended 31 December 2022 was a tumultuous year on almost every facet and financial markets were deeply affected. There was multi-decade record inflation and central banks responded with rapidly tightening monetary policy. Rising interest rates saw the correlation between bonds and equities turn positive, contributing to large declines across most asset classes. Funds flows diverted away from growth and momentum strategies, and yield curves flattened. The total return of the investment portfolio in the year was a loss of (10.6%) versus the MSCI PIMFA Balanced Index loss of (8.1%) (2021: gain of 10.31% versus the PIMFA Conservative Index benchmark gain of 6.89%).

### Reserves policy

The Trustee aims as far as possible to maintain two years of resources expended in the revenue reserve. At 31 December 2022 the revenue reserve was at £1,981,643 (2021: 2,474,352).

The revenue reserve also includes the proceeds of sale of St Nicholas with Burton's Almshouse (£830,000) and Merchants' Almshouse (£620,000) which will be used in the reprovision of new almshouse accommodation.

The Extraordinary Repair Reserve of £332,092 at 31 December 2022 (2021: £363,592) provides for major maintenance and repair of an extraordinary and irregular nature. This policy is subject to annual review.

The Trustee transfers £1,230 into the Extraordinary Repair Reserve on an annual basis.

# **The Society of Merchant Venturers' Almshouses Charity**

## **Report of the Trustee for the year ended 31 December 2022 (continued)**

### **Going concern**

The financial statements have been prepared on a going concern basis which the Trustee considers to be appropriate for the following reasons.

The Trustee has prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the charity will have sufficient funds to meet its liabilities as they fall due for that period.

The downside scenarios considered by the Trustee include a situation where income is significantly reduced. The Charity has current assets considerably in excess of its liabilities and, even with a significant fall in income, has sufficient resources to meet its liabilities as they fall due throughout the forecast period.

Consequently, the Trustee is confident that the Charity will have sufficient funds to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore has prepared the financial statements on a going concern basis.

### **Governance and Financial Viability**

In accordance with the Accounting Direction for Private Registered Providers of Social Housing 2019, the Trustee certifies compliance with the governance and financial viability standard.

### **Future plans**

Following an acknowledgement of the need to plan for and meet changing needs and expectations a strategic review of the future of the Almshouses was conducted during 2016.

It is planned to use the proceeds of the sale of Merchants' Almshouse in 2014 together with the proceeds of the sale in 2007 of St Nicholas with Burton's Almshouse, in the re-provision of new almshouse accommodation. During 2022 a further review of opportunities within the area of benefit has been undertaken.

In 2023 the Trustee will continue to explore opportunities to work in partnership with other Charities to achieve this aim.

# The Society of Merchant Venturers' Almshouses Charity

## Report of the Trustee for the year ended 31 December 2022 (continued)

### Accounting and reporting responsibilities

#### Statement of Trustee's responsibilities in respect of the Trustee's Annual Report and the financial statements

Under charity law, the trustees are responsible for preparing a Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The trustees are required to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period.


In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping accounting records which are sufficient to show and explain the charity's transactions and disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the financial and other information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed for and on behalf of the Trustee



Patrick Despard  
Director

Merchants' Hall, The Promenade, Clifton, Bristol, BS8 3NH

Date: 28 JUNE 2023

# Independent auditor's report to the Trustee of The Society of Merchant Venturers' Almshouses Charity

## Opinion

We have audited the financial statements of The Society of Merchant Venturers' Almshouses Charity ("the charity") for the year ended 31 December 2022 which comprise the statement of financial activities, balance sheet and related notes, including the accounting policies on pages 14 to 15.

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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

## Basis for opinion

We have been appointed as auditor under section 145 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charity or to cease its operations, and as they have concluded that the charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charity's business model and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charity will continue in operation.

## **Independent auditor's report to the Trustee of The Society of Merchant Venturers' Almshouses Charity (continued)**

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management as to the charity's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Standing Committee, audit committee, and investment committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected year on year movements.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment we performed procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries.

On this audit we did not identify a fraud risk related to revenue recognition due to the simple recognition criteria and limited scope for judgement. We therefore assessed that there was limited opportunity for management to manipulate the income that was reported.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual accounts combinations.

#### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Charity is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including charities legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, employment law, and certain aspects of charity legislation recognising the financial and regulated nature of the Charity's activities and its legal form.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal

## **Independent auditor's report to the Trustee of The Society of Merchant Venturers' Almshouses Charity (continued)**

correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Other information**

The trustee is responsible for the other information, which comprises the Report of the Trustee. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

### **Matters on which we are required to report by exception**

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

### **Trustees' responsibilities**

As explained more fully in their statement set out on page 7, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## **Independent auditor's report to the Trustee of The Society of Merchant Venturers' Almshouses Charity (continued)**

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the charity's trustees as a body, in accordance with section 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. 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 auditor's 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

  
**Jonathan Brown**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*  
66 Queen Square  
Bristol  
BS1 4BE

Date: 29 JUNE 2023

*KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006*

# The Society of Merchant Venturers' Almshouses Charity

## Statement of comprehensive income for the year ended 31 December 2022

	Notes	2022	2021
		£	£
<b>Turnover</b>			
Rental income		103,811	100,845
Services charges	1	6,274	6,080
Less: Rent losses from voids		(18,669)	(12,427)
Net contribution		91,416	94,498
Other rental income		44,350	41,037
		<b>135,766</b>	<b>135,535</b>
<b>Operating costs</b>			
Services		56,896	42,619
Management	16 & 17	17,191	16,774
Routine maintenance		50,499	36,002
Depreciation		11,760	16,952
		<b>(136,346)</b>	<b>(112,347)</b>
<b>Operating (deficit)/surplus</b>		<b>(580)</b>	<b>23,188</b>
Unrealised (loss)/gain on investments	8	(488,426)	193,943
Unrealised (loss)/gain on investments of designated reserves	10 & 14	(32,730)	53,666
<b>Net revaluation (deficit)/surplus</b>		<b>(521,156)</b>	<b>270,797</b>
Interest receivable and other income	4	114,299	93,712
Interest payable and similar expenses	5	(398)	(430)
<b>Total comprehensive (deficit)/income for the year</b>		<b>(407,835)</b>	<b>364,079</b>

The results presented above relate wholly to continuing activities.

There is no difference between the deficit on ordinary activities for the year as stated above and their historical cost equivalents.

The accompanying notes form part of the financial statements.

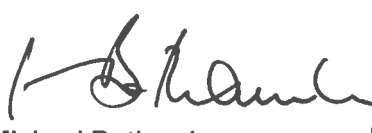
# The Society of Merchant Venturers' Almshouses Charity

## Balance sheet at 31 December 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Housing properties	7		-		11,760
Investments	8		1,514,273		1,140,381
<b>Total fixed assets</b>			<b>1,514,273</b>		<b>1,152,141</b>
<b>Current assets</b>					
Debtors	9	36,886		34,991	
Investments	8	1,688,777		1,946,295	
Extraordinary repair reserve investments	10	332,092		363,592	
Cash at bank and in hand		341,518		831,091	
		<b>2,399,273</b>		<b>3,175,969</b>	
<b>Creditors: amounts falling due within one year</b>	11	<b>(21,961)</b>		<b>(28,690)</b>	
<b>Net current assets</b>			<b>2,377,312</b>		<b>3,147,279</b>
<b>Net assets</b>			<b>3,891,585</b>		<b>4,299,420</b>
<b>Capital and reserves</b>					
Capital account	12	873,576		268,776	
Investment revaluation reserve	13	704,274		1,192,700	
Extraordinary repair reserve	14	332,092		363,592	
Revenue reserve	15	1,981,643		2,474,352	
<b>Total capital and reserves</b>			<b>3,891,585</b>		<b>4,299,420</b>

The financial statements on pages 12 to 22 were approved by the Trustee on 28 JUNE 2023 and are signed on its behalf by:

  
Patrick Despard  
Director

  
Michael Bothamley  
Director

The accompanying notes form part of the financial statements.

# The Society of Merchant Venturers' Almshouses Charity

## Principal accounting policies

### Presentation of financial statements

The financial statements have been prepared in accordance with the historical cost convention as modified by the revaluation of investments. They comply with the Statement of Recommended Practice for Accounting by Registered Social Landlords (SORP) (2018), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Accounting Direction for Private Registered Providers of Social Housing 2019.

The accounting policies that the Charity has adopted to determine the amounts included in respect of material items shown in the balance sheet and also to determine the income and expenditure have been applied consistently in the current and preceding year and are shown below.

The Society of Merchant Venturers' Almshouses Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

### Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments, and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)" applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102).

### Going Concern

The Trustee has considered whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustee makes this assessment for a period of twelve months from the date of approval of the financial statements.

Under all the scenarios reviewed, the charity has sufficient reserves to enable it to continue as a going concern for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

### Critical accounting judgements and key sources of estimation uncertainty

In applying the charity's accounting policies, the Trustee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

### Turnover

Turnover represents rental income and maintenance contributions receivable. All turnover is derived from operations in the United Kingdom.

### Expenditure

Expenditure is accounted for on an accruals basis, inclusive of irrecoverable VAT, and is recognised when there is a legal or constructive obligation to pay for expenditure.

### Housing properties

The almshouse is stated at original cost less accumulated depreciation.

# The Society of Merchant Venturers' Almshouses Charity

## Principal accounting policies (continued)

### Fixed assets and depreciation

Depreciation is charged so as to write off assets on a straight-line basis over the expected useful economic lives of the assets concerned. The annual rates used for this purpose have been:

Freehold properties	2%
Building improvements	10%
Fixtures and fittings	20%

Land is not depreciated.

Assets with a cost of less than £1,000 are written off to expenditure during the year.

### Investments

Both current and fixed asset investments are stated at bid-market value in accordance with FRS102.

The income and expenditure account includes the net gains and losses arising on revaluations and disposals during the year.

### Extraordinary repair reserve

An amount is transferred annually from revenue to this reserve to provide for major expenditure of an extraordinary nature (notes 10 and 14). The amount so transferred is authorised by the Charity Commission.

### Apportionment order

The apportionment order recoups capital expenditure on the renovation of the St Nicholas with Burton's Almshouses from 20 August 1996 to 27 October 1997 (note 12). Payment is made over 25 years by way of annual contributions pursuant of a Charity Commission order dated 2 May 1996 and is invested in the Merchant Venturers' Charities Investment Pool ("MVCIP") (Charity Number 1053459).

### Irrecoverable VAT

Any irrecoverable VAT is charged to the income and expenditure account or capitalised as part of the cost of the related asset, where appropriate.

### Cash flow statement

A statement of cash flows has not been prepared as the charity has taken advantage of the exemption available in the SORP for smaller charities.

### Taxation

The Society of Merchant Venturers' Almshouses Charity is registered as a charity and as such tax exemption applies to the income arising from and expended on charitable activities and to its investment income and gains.

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2022

### 1 Rental income from residents

Within the rental income from residents is £6,274 relating to service charges (2021: £6,080).

### 2 Trustee's emoluments

The Trustee did not receive any emoluments or reimbursement of expenses in respect of services during the year (2021: nil), nor had any beneficial interest in any contract with the Charity during the year or in the prior year.

### 3 Employee information

The Charity had no employees in either 2021 or 2022. However, a recharge is made by the Society of Merchant Venturers and The Cote Charity as disclosed in notes 16 and 17.

### 4 Interest receivable and other income

	2022 £	2021 £
Investment income	114,013	93,566
Other income	286	146
	<b>114,299</b>	<b>93,712</b>

### 5 Interest payable and similar charges

	2022 £	2021 £
Bank interest and charges	398	430
	<b>398</b>	<b>430</b>

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2022

### 6 (Deficit)/surplus on ordinary activities

	2022 £	2021 £
(Deficit)/Surplus on ordinary activities is stated after charging:		
Audit fee	5,316	5,316
Depreciation on owned assets	11,760	16,952

The audit fee excluding irrecoverable VAT was £4,430 (2022: £4,430).

### 7 Fixed assets – Almshouses

	Building improvements £	Land and buildings £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2022	164,744	265,287	26,522	456,553
<b>At 31 December 2022</b>	<b>164,744</b>	<b>265,287</b>	<b>26,522</b>	<b>456,553</b>
<b>Accumulated depreciation</b>				
At 1 January 2022	154,179	265,287	25,327	444,793
Charge for the year	10,565	-	1,195	11,760
<b>At 31 December 2022</b>	<b>164,744</b>	<b>265,287</b>	<b>26,522</b>	<b>456,553</b>
<b>Net book value</b>				
<b>At 31 December 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
At 31 December 2021	10,565	-	1,195	11,760

All properties are freehold and held for the purposes of providing supported housing.

Accumulated depreciation includes amounts historically disclosed as Social Housing Grant within the note, which relate back to depreciation of deemed cost excluding grants received on the original recognition of the property.

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2022

### 8 Investments

#### Fixed asset investment

	2022 £	2021 £
<b>Market value</b>		
At 1 January	1,140,381	1,063,928
Additions at cost	604,800	4,800
Revaluation	(230,908)	71,653
<b>At 31 December</b>	<b>1,514,273</b>	<b>1,140,381</b>
	£	£
<b>Historical cost</b>	<b>868,776</b>	<b>263,976</b>

#### Current asset investment

	2022 £	2021 £
<b>Market value</b>		
At 1 January	1,946,295	1,824,005
Revaluation	(257,518)	122,290
<b>At 31 December</b>	<b>1,688,777</b>	<b>1,946,295</b>
	£	£
<b>Historical cost</b>	<b>1,630,000</b>	<b>1,630,000</b>

The funds continue to be invested in The Merchant Venturers' Charities Investment Pool ("MVCIP") (Charity Number 1053459).

The current asset investment represents the proceeds of sale of St Nicholas with Burton's in 2007 and the proceeds of sale of Merchants' Almshouse in 2014 and does not form part of the endowment fund of the Charity. The Charity is actively looking for the best use of these funds for new Almshouses to meet its objectives.

Variations in the market value of the investments are shown by way of movement in the investment revaluation reserve (see note 13).

### 9 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Rent	39	8,042
Other debtors	32,337	23,808
Prepayments and accrued income	4,510	3,141
	<b>36,886</b>	<b>34,991</b>

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2022

### 10 Investments held on account of the extraordinary repair reserve

The investments held on account of the extraordinary repair reserve are held by COIF. Withdrawals from the reserve must be approved by the Trustee and income arising from the investments is accumulated in the reserve. The investments are stated at their market value on 31 December 2022. Their historical cost is £71,764 (2021: £70,534).

<b>Market value</b>	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
At 1 January	<b>363,592</b>	308,696
Additions at cost	<b>1,230</b>	1,230
Revaluation to market value	<b>(32,730)</b>	53,666
<b>At 31 December</b>	<b>332,092</b>	363,592

### 11 Creditors: amounts falling due within one year

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
Other creditors	<b>5,793</b>	14,074
Accruals and deferred income	<b>16,168</b>	14,616
	<b>21,961</b>	28,690

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2022

### 12 Capital account

	£
At 1 January 2022	268,776
Transfer from income and expenditure account	604,800
<b>At 31 December 2022</b>	<b>873,576</b>

The capital account and fixed asset investment revaluation reserve form the endowment fund of the Charity. A transfer from income and expenditure has been made under an apportionment order (see accounting policies).

### 13 Investment revaluation reserve

	Current asset investment £	Fixed asset investment £	Total £
At 1 January 2022	316,295	876,405	1,192,700
Revaluation to market value	(257,518)	(230,908)	(488,426)
<b>At 31 December 2022</b>	<b>58,777</b>	<b>645,497</b>	<b>704,274</b>

Movements on the investment revaluation reserve represent changes in the market value of the current and fixed asset investments held on account of the share of the Charity in the Merchant Venturers' Charities Investment Pool (see note 8).

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2022

### 14 Extraordinary repair reserve

	£
At 1 January 2021	363,592
Transfer from income and expenditure account	1,230
Investment revaluation for year	(32,730)
<b>At 31 December 2022</b>	<b>332,092</b>

### 15 Revenue reserve

	£
At 1 January 2022	2,474,352
Surplus on ordinary activities for year	113,321
Transfer to extraordinary repair reserve	(1,230)
Transfer to capital account	(604,800)
<b>At 31 December 2022</b>	<b>1,981,643</b>

### 16 Transactions with related parties

#### Society of Merchant Venturers

The Charity incurred a reallocation of salaries and overhead costs of £13,005 (2021: £12,170) from the Society of Merchant Venturers, to cover the services it provides in relation to the management and administration of the Charity, of which £nil is outstanding at the year-end (2021: £nil).

#### Merchant Venturers' Charities Investment Pool (MVCIP)

SMV Trustee Company Limited is the Trustee of MVCIP and the ultimate controlling party of The Society of Merchant Venturers' Almshouses Charity. For details of investments held and income received from investments in MVCIP, see notes 4 and 8. At 31 December 2022 the charity was owed £nil by MVCIP (2021: £nil).

### 17 Connected charity

The Cote Charity (Registered Charity Number 257237) is a connected charity under the definition of the Charities' SORP 2019 as it has related objects and the same Trustee as The Society of Merchant Venturers' Almshouses Charity. Further information can be obtained from the Charity's registered address detailed on page 1 of the Report of the Trustee.

The Society of Merchant Venturers' Almshouses Charity incurred a charge of £9,796 (2021: £4,604) for the services of the Almshouse Manager and the maintenance officer. At 31 December 2022 £nil (2021: £nil) was owed by The Society of Merchant Venturers' Almshouse Charity to The Cote Charity relating to these services. The Cote Charity recharged The Society of Merchant Venturers' Almshouse Charity for various services during the year including; the cost of a Chaplain of £1,054, the cost of insurance and other sundry items at a cost of £6,225 (2021: £275 was recharged from The Society of Merchant Venturers' Almshouse Charity to The Cote Charity). At 31 December 2022 £522 (2021: £138 owed to The Society of Merchant Venturers' Almshouse Charity) was outstanding.

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2022

### 18 Owned / Managed units (Social Housing)

#### Number of units as at 31 December 2022

The Charity owns 12 units for disadvantaged people of which 8 have been fully occupied throughout the year (2021: 9 fully occupied).

#### Residents' rents

Residents rents are set using the legislation which prescribes a formula of Consumer Price Index (CPI) + 1%. Where necessary, all or part of the rent can be reclaimed. From 1 April 2022 rent for the Almshouse was £174.32 per week.

The charging of rents produced a contribution net of voids over the year of £85,142 (2021: £94,498).

**THE SOCIETY OF MERCHANT VENTURERS ALMSHOUSES CHARITY**

England & Wales - Charity number 202152

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# Accounts

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Homes & Community Agency Registered Number: A3603  
Charity Registered Number: 202152

**The Society of Merchant Venturers'  
Almshouses Charity**

**Annual report and financial statements  
for the year ended 31 December 2021**

# The Society of Merchant Venturers' Almshouses Charity

## Annual report and financial statements for the year ended 31 December 2021

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# The Society of Merchant Venturers' Almshouses Charity

## Report of the Trustee for the year ended 31 December 2021

The Trustee presents its annual report and the audited financial statements for the year ended 31 December 2021.

These financial statements have been prepared in accordance with the Trust deed, the Statement of Recommended Practice "Accounting by Registered Social Landlords" (updated 2019), the Accounting Direction for Private Registered Providers of Social Housing 2019 and FRS 102.

### Trustee, officers and advisers

The Trustee of the Charity is SMV Trustee Company Limited.

Listed below are those members who have served on the Board of SMV Trustee Company Limited during the year:

David Freed	
Patrick Despard	
Michael Bothamley	
Gillian Camm	
Ross Ancell	
Tony Kenny	(Deceased 03 June 2021)
Charles Griffiths	
Cullum McAlpine	(Retired 10 November 2021)
John Watson	(Retired 10 November 2021)
Gail Bragg	(Retired 10 November 2021)
Alan Lewis	
Robert Bourns	
Mohamed Saddiq	
Jonathon Baker	
Andrew Nisbet	(Retired 10 November 2021)
Martin Thatcher	
Roderick Davidson	(Retired 10 November 2021)
Steve Allpress	(Appointed 10 November 2021)
Nick Baker	(Appointed 10 November 2021)
Karl Tucker	(Appointed 10 November 2021)
Katharine Finn	(Appointed 10 November 2021)

### Registered address of the Charity

Merchants' Hall  
The Promenade  
Clifton  
Bristol  
BS8 3NH

**Charity Number:** 202152

**Housing Association Number:** A3603

# **The Society of Merchant Venturers' Almshouses Charity**

## **Report of the Trustee for the year ended 31 December 2021 (continued)**

### **Names and addresses of other relevant organisations**

#### **Auditor**

KPMG LLP, 66 Queen Square, Bristol, BS1 4BE

#### **Banker**

NatWest Bank plc, 32 Corn Street, Bristol, BS99 7UG

#### **Solicitor**

Womble Bond Dickinson (UK) LLP, 3 Temple Quay, Temple Back East, Bristol, BS1 6DZ

#### **Investment Managers**

Evelyn Partners Investment Management LLP, Portwall Place, Portwall Lane, Bristol, BS1 6NA  
(via the Merchant Venturers' Charities Investment Pool (MVCIP), Charity Number 1053459)

COIF Charity Funds, CCLA Investment Management Ltd, 80 Cheapside, London, EC2V 6DZ

### **Reference and administrative information**

The Almshouses Charity is a Registered Social Landlord (Homes & Community Agency number A3603) and a charity registered with the Charity Commission (charity registration number 202152).

The information with respect to the Trustee, officers and advisers set out on page 1 forms part of this report.

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

#### **Governing document**

The Charity is constituted under a Charity Commission Scheme dated 29 May 1985 as amended by a Scheme dated 8 May 1991, 2 May 1996 and 3 January 2017 and is a registered charity, number 202152.

#### **Governing body and organisational management**

The Trustee of the Charity is SMV Trustee Company Limited, a company limited by guarantee. All the members of the Society of Merchant Venturers' Standing Committee are Directors of SMV Trustee Company Limited.

The Trustee meets to consider, at least on a quarterly basis, the broad strategy, direction and investment policy of the Charity.

Assisting the Trustee are the Care of Older People Sub Committee, the Audit Sub-Committee, the Investment Strategy Group, the Finance and Investment Sub-Committee and the Conflicts of Interest Advisory Sub-Committee.

# The Society of Merchant Venturers' Almshouses Charity

## Report of the Trustee for the year ended 31 December 2021 (continued)

### Governing body and organisational management (continued)

The Charity is a Registered Social Landlord and, under the supervision of the Trustee, is managed by the Care of Older People Sub-Committee of the Society of Merchant Venturers, the members of which are:

Dr Jacqueline Cornish (Chair)  
John Laycock (Retired 10 November 2021)  
Stephen Parsons (Retired 10 November 2021)  
Caroline-Jane Duckworth  
Anne Nisbet  
Charles Densham  
Robert Davis (Retired 10 November 2021)  
Chris Pople (Retired 10 November 2021)  
Mary Prior  
Charles Griffiths  
Jullian Telling (Retired 10 November 2021)  
Anthony Brown  
Edward Ware (Appointed 10 November 2021)  
David Marsh (Appointed 10 November 2021)

The Sub-Committee meets at least quarterly to oversee and administer the efficient management of the Charity and to consider and subsequently recommend and gain approval from the Trustee for broad operational and strategic issues. The tenure of membership is 3 years, re-electable for a further 3 years and, in special circumstances, tenure can be extended. The induction process for any newly appointed member includes an initial meeting and site visits with the Chairman.

The Conflicts of Interest Advisory Sub-Committee was established in 2021 and comprises of two individuals with no connection to either SMV or SMV TCL who can advise on areas where a conflict of interest might arise. As detailed in note 16, the Society of Merchant Venturers provided administrative services to the charities of which SMV TCL was trustee and (as permitted by the Charity Commission) made a charge for these. The Conflicts of Interest Advisory Sub-Committee has reviewed these charges and made a recommendation to the board of SMV TCL that the proposed charges are, in the opinion of the members of the Sub-Committee) appropriate.

Accounting support is provided by the Merchant Venturers' Finance department.

### Recruitment and training of the Trustee

The Directors of SMV Trustee Company Limited are elected annually from within the membership of the Society and are appraised of the general duties of a trustee. In the event of significant changes to legislation or best practice, further relevant training is undertaken. The management and strategy of the Charity are considered in greater detail by the Care of Older People Sub-Committee. The members of this Sub-Committee bring with them the necessary financial, property and care skills that enable them to deal both with more immediate issues as well as to assess, monitor and make the necessary recommendations for the future strategic direction and well-being of the Charity.

# The Society of Merchant Venturers' Almshouses Charity

## Report of the Trustee for the year ended 31 December 2021 (continued)

### Risk management

In the light of the Corporate Governance guidance contained within the Statement of Recommended Practice 2019 "Accounting and Reporting by Charities", the Trustee examined the major risks faced by the Charity.

In addition to managing the response to COVID-19, the Trustee continues to monitor and manage ongoing risks relating to areas such as the achievement of the charitable objects and the protection of the charity's assets. Systems are in place to monitor and control these risks to mitigate the impact that they may have on the charity in the future.

The Merchant Venturers' Audit Committee is responsible for assessing the scope and effectiveness of the systems and processes established by management to identify, assess, manage and monitor the financial and non-financial risks. The risk register is reviewed and updated as required and no less frequently than twice yearly by Management, by the Care of Older People Sub-Committee. It is reviewed by the Merchant Venturers' Audit Committee and is noted by the Trustee.

The Charity is reliant on the income from its investments and on the income from residents to enable it to provide accommodation in the furtherance of its charitable objectives. The charity does however have reserves in significant excess of its annual expenditure and therefore if required it could meet expenditure from these reserves.

### Objectives and activities

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

### Objects of the Charity

The objects of the Charity, defined in the Charity Commission Scheme, which should be referred to for exact details, are:

"To provide Almshouses for poor persons of good character who (except in special cases to be approved by the Charity Commission) are inhabitants of the City of Bristol."

During the year the Charity has continued to provide accommodation for older people in accordance with the terms of the Scheme via the 12 self-contained accommodation units.

### Aims and intended impact

The aim of the Charity is to provide affordable, suitable and fit for purpose accommodation for persons of good character. The Trustee has given careful consideration to the level of fees set for the Almshouse and has adhered to the legislation which prescribes a formula of Consumer Price Index (CPI) + 1%. This enables the majority of residents to meet their fees for rents wholly from Housing Benefit or Universal Credit (where they are eligible individuals).

### Objectives for the year

This year the focus has been ensuring that the Almshouse is operated, equipped and maintained to meet both current and future social housing requirements.

# The Society of Merchant Venturers' Almshouses Charity

## Report of the Trustee for the year ended 31 December 2021 (continued)

### Strategies to achieve the objectives

The future short and long-term maintenance needs of the Almshouse have been considered in the light of changing requirements of the residents. The Almshouse should receive sufficient investment to meet expectations of future residents.

### Achievements and performance

Throughout the year the Almshouse has provided 12 flats to those in need at social housing rates. Occupants of this close-knit community enjoy all the advantages of a historic building and setting but located in an inner-city environment. The Trustee continues to monitor and maintain the building for the benefit of the residents and improve units, as they become vacant.

### Financial review

The operating surplus for the year was £23,188 (2020: £18,452).

The statement on page 11 shows a total comprehensive surplus for the year of £364,079 (2020: (£141,536) deficit). The increase from 2020 to 2021 is largely due to an unrealised gain on the value of investments totalling £193,943 (2020 (£288,533) unrealised loss).

### Investment policy and performance

The Trustee has delegated investment management to the Merchant Venturers' Finance and Investment Sub-Committee, including the investment and performance of the financial assets; the appointment of appropriate Fund Managers and monitoring their performance; and to recommend to the Trustee optimum strategy for financial investment.

The Merchant Venturers Finance and Investment Sub-Committee's policy is to increase income whilst preserving the real value of the investments. The income provides unrestricted funds to enable the Trustee to pursue the objects of the Charity, including plans for the future. The funds continue to be invested in The Merchant Venturers' Charities Investment Pool ("MVCIP") (Charity Number 1053459).

Over seven billion COVID-19 vaccines were administered worldwide in 2021, helping life to return to a semblance of normality. This helped lift real GDP by 5.9%, the fastest growth rate in over 40 years. Economic recovery drove optimism back into risk assets. Companies delivered strong earnings growth despite the pandemic lingering. Inflation was pushed higher by accommodative policy and pent-up demand at a time when global supply chains were disrupted, and labour markets stretched.

The total return of the investment portfolio in the year was a gain of 10.31% versus the PIMFA Conservative Index of 6.89% (2020: loss of (6.21%) versus the composite benchmark of (4.2%)).

### Reserves policy

The Trustee aims as far as possible to maintain two years of resources expended in the revenue reserve. At 31 December 2021 the revenue reserve was at £2,474,352.

The revenue reserve also includes the proceeds of sale of St Nicholas with Burton's Almshouse (£830,000) and Merchants' Almshouse (£620,000) which will be used in the re-provision of new almshouse accommodation.

The Extraordinary Repair Reserve of £363,592 at 31 December 2021 (2020: £308,696) provides for major maintenance and repair of an extraordinary and irregular nature. This policy is subject to annual review.

The Trustee transfers £1,230 into the Extraordinary Repair Reserve on an annual basis.

# **The Society of Merchant Venturers' Almshouses Charity**

## **Report of the Trustee for the year ended 31 December 2021 (continued)**

### **Going concern**

The financial statements have been prepared on a going concern basis which the Trustee considers to be appropriate for the following reasons.

The Trustee has prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the charity will have sufficient funds to meet its liabilities as they fall due for that period.

The downside scenarios considered by the Trustee include a situation where income is significantly reduced. The Charity has current assets considerably in excess of its liabilities and, even with a significant fall in income, has sufficient resources to meet its liabilities as they fall due throughout the forecast period.

Consequently, the Trustee is confident that the Charity will have sufficient funds to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore has prepared the financial statements on a going concern basis.

### **Governance and Financial Viability**

In accordance with the Accounting Direction for Private Registered Providers of Social Housing 2019, the Trustee certifies compliance with the governance and financial viability standard.

### **Future plans**

Following an acknowledgement of the need to plan for and meet changing needs and expectations a strategic review of the future of the Almshouses was conducted during 2016.

It is planned to use the proceeds of the sale of Merchants' Almshouse in 2014 together with the proceeds of the sale in 2007 of St Nicholas with Burton's Almshouse, in the re-provision of new almshouse accommodation. During 2021 a further review of opportunities within the area of benefit has been undertaken.

In 2022 the Trustee will continue to explore opportunities to work in partnership with other Charities to achieve this aim.

# The Society of Merchant Venturers' Almshouses Charity

## Report of the Trustee for the year ended 31 December 2021 (continued)

### Accounting and reporting responsibilities

#### Statement of Trustee's responsibilities in respect of the Trustee's Annual Report and the financial statements

Under charity law, the trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and regulations. The trustees are required to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

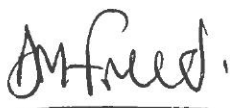
The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustee:

- selects suitable accounting policies and then apply them consistently;
- makes judgements and estimates that are reasonable and prudent;
- states whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- states whether the financial statements comply with the trust deed [and rules], subject to any material departures disclosed and explained in the financial statements;
- assesses the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- uses the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The trustee is required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping accounting records which are sufficient to show and explain the charity's transactions and disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

#### Signed for and on behalf of the Trustee



David Freed  
Director  
Merchants' Hall, The Promenade, Clifton, Bristol, BS8 3NH  
Date: 19 JULY 2022

# Independent auditor's report to the Trustee of The Society of Merchant Venturers' Almshouses Charity

## Opinion

We have audited the financial statements of The Society of Merchant Venturers' Almshouses Charity ("the charity") for the year ended 31 December 2021 which comprise the statement of financial activities, balance sheet and related notes, including the accounting policies on pages 14 to 15.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

## Basis for opinion

We have been appointed as auditor under section 145 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charity or to cease its operations, and as they have concluded that the charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charity's business model and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charity will continue in operation.

## **Independent auditor's report to the Trustee of The Society of Merchant Venturers' Almshouses Charity (continued)**

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management as to the charity's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Standing Committee, audit committee, and investment committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected year on year movements.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual accounts combinations.
- Substantive testing of rental income and agreement to supporting evidence.

#### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Charity is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including charities legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, employment law, and certain aspects of charity legislation recognising the financial and regulated nature of the Charity's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

## **Independent auditor's report to the Trustee of The Society of Merchant Venturers' Almshouses Charity (continued)**

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Other information**

The trustee is responsible for the other information, which comprises the Report of the Trustee. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

### **Matters on which we are required to report by exception**

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

### **Trustees' responsibilities**

As explained more fully in their statement set out on page 7, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## **Independent auditor's report to the Trustee of The Society of Merchant Venturers' Almshouses Charity (continued)**

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the charity's trustees as a body, in accordance with section 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. 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 auditor's 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Jonathan Brown**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

*KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006*

66 Queen Square

Bristol

BS1 4BE

Date: 22 July 2022

# The Society of Merchant Venturers' Almshouses Charity

## Statement of comprehensive income for the year ended 31 December 2021

	Notes	£	2021	£	£	2020	£
<b>Turnover</b>							
Rental income		100,845				98,724	
Services charges	1	6,080				6,082	
Less: Rent losses from voids		(12,427)				(19,768)	
<hr/>							
Net contribution			94,498			85,038	
Other rental income			41,037			40,600	
<hr/>							
<b>Operating costs</b>							
Services		42,619				42,027	
Management	16 & 17	16,774				16,299	
Routine maintenance		36,002				31,794	
Depreciation		16,952				17,066	
<hr/>							
<b>Operating surplus</b>							
<hr/>							
Unrealised gain/(loss) on investments	8		193,943			(288,533)	
Unrealised gain on investments of designated reserves	10 & 14		53,666			27,418	
<hr/>							
<b>Net surplus/(deficit)</b>							
<hr/>							
Interest receivable and other income	4		93,712			101,679	
Interest payable and similar expenses	5		(430)			(552)	
<hr/>							
<b>Total comprehensive income/(deficit) for the year</b>							
<hr/>							

The results presented above relate wholly to continuing activities.

There is no difference between the surplus on ordinary activities for the year as stated above and their historical cost equivalents.

The accompanying notes form part of the financial statements.

# The Society of Merchant Venturers' Almshouses Charity

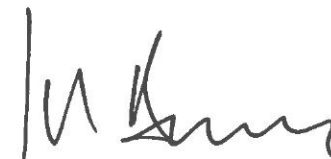
## Balance sheet at 31 December 2021

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Housing properties	7		11,760		28,712
Investments	8		1,140,381		1,063,928
<b>Total fixed assets</b>			<b>1,152,141</b>		<b>1,092,640</b>
<b>Current assets</b>					
Debtors	9	34,991		26,724	
Investments	8	1,946,295		1,824,005	
Extraordinary repair reserve investments	10	363,592		308,696	
Cash at bank and in hand		831,091		712,413	
		3,175,969		2,871,838	
<b>Creditors: amounts falling due within one year</b>	11	(28,690)		(29,139)	
<b>Net current assets</b>			<b>3,147,279</b>		<b>2,842,699</b>
<b>Net assets</b>			<b>4,299,420</b>		<b>3,935,339</b>
<b>Capital and reserves</b>					
Capital account	12	268,776		263,976	
Investment revaluation reserve	13	1,192,700		998,757	
Extraordinary repair reserve	14	363,592		308,696	
Revenue reserve	15	2,474,352		2,363,910	
<b>Total capital and reserves</b>			<b>4,299,420</b>		<b>3,935,339</b>

The financial statements on pages 12 to 22 were approved by the Trustee on 18 JULY 2022 and are signed on its behalf by:



David Freed  
Director



Patrick Despard  
Director

The accompanying notes form part of the financial statements.

# The Society of Merchant Venturers' Almshouses Charity

## Principal accounting policies

### Presentation of financial statements

The financial statements have been prepared in accordance with the historical cost convention as modified by the revaluation of investments. They comply with the Statement of Recommended Practice for Accounting by Registered Social Landlords (SORP) (2018), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Accounting Direction for Private Registered Providers of Social Housing 2019.

The accounting policies that the Charity has adopted to determine the amounts included in respect of material items shown in the balance sheet and also to determine the income and expenditure have been applied consistently in the current and preceding year and are shown below.

The Society of Merchant Venturers' Almshouses Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

### Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments, and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)" applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102).

### Going Concern

The Trustee has considered whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustee makes this assessment for a period of twelve months from the date of approval of the financial statements.

Under all the scenarios reviewed, the charity has sufficient reserves to enable it to continue as a going concern for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

### Critical accounting judgements and key sources of estimation uncertainty

In applying the charity's accounting policies, the Trustee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

### Turnover

Turnover represents rental income and maintenance contributions receivable. All turnover is derived from operations in the United Kingdom.

### Expenditure

Expenditure is accounted for on an accruals basis, inclusive of irrecoverable VAT, and is recognised when there is a legal or constructive obligation to pay for expenditure.

### Housing properties

The almshouse is stated at original cost less accumulated depreciation.

# The Society of Merchant Venturers' Almshouses Charity

## Principal accounting policies (continued)

### Fixed assets and depreciation

Depreciation is charged so as to write off assets on a straight-line basis over the expected useful economic lives of the assets concerned. The annual rates used for this purpose have been:

Freehold properties	2%
Building improvements	10%
Fixtures and fittings	20%

Land is not depreciated.

Assets with a cost of less than £1,000 are written off to expenditure during the year.

### Investments

Both current and fixed asset investments are stated at mid-market value at balance sheet date. This is not in accordance with FRS102 which recommends bid value but is consistent with the entity's performance management process. Using bid values would lead to a reduction in the valuation of these listed investments of an amount which is considered by the Trustee to be immaterial.

The income and expenditure account includes the net gains and losses arising on revaluations and disposals during the year.

### Extraordinary repair reserve

An amount is transferred annually from revenue to this reserve to provide for major expenditure of an extraordinary nature (notes 10 and 14). The amount so transferred is authorised by the Charity Commission.

### Apportionment order

The apportionment order recoups capital expenditure on the renovation of the St Nicholas with Burton's Almshouses from 20 August 1996 to 27 October 1997 (note 12). Payment is made over 25 years by way of annual contributions pursuant of a Charity Commission order dated 2 May 1996 and is invested in the Merchant Venturers' Charities Investment Pool ("MVCIP") (Charity Number 1053459).

### Irrecoverable VAT

Any irrecoverable VAT is charged to the income and expenditure account or capitalised as part of the cost of the related asset, where appropriate.

### Cash flow statement

A statement of cash flows has not been prepared as the charity has taken advantage of the exemption available in the SORP for smaller charities.

### Taxation

The Society of Merchant Venturers' Almshouses Charity is registered as a charity and as such tax exemption applies to the income arising from and expended on charitable activities and to its investment income and gains.

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2021

### 1 Rental income from residents

Within the rental income from residents is £6,080 relating to service charges (2020: £6,082).

### 2 Trustee's emoluments

The Trustee did not receive any emoluments or reimbursement of expenses in respect of services during the year (2020: nil), nor had any beneficial interest in any contract with the Charity during the year or in the prior year.

### 3 Employee information

The Charity had no employees in either 2020 or 2021. However, a recharge is made by the Society of Merchant Venturers and The Cote Charity as disclosed in notes 16 and 17.

### 4 Interest receivable and other income

	2021 £	2020 £
Investment income	93,566	100,755
Other income	146	924
	<b>93,712</b>	<b>101,679</b>

### 5 Interest payable and similar charges

	2021 £	2020 £
Bank interest and charges	430	552
	<b>430</b>	<b>552</b>

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2021

### 6 Surplus on ordinary activities

	2021 £	2020 £
Surplus on ordinary activities is stated after charging:		
Audit fee	5,316	5,316
Depreciation on owned assets	16,952	17,066

The audit fee excluding irrecoverable VAT was £4,430 (2020: £4,430).

### 7 Fixed assets – Almshouses

	Building improvements £	Land and buildings £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2021	164,744	265,287	26,522	456,553
Additions	-	-	-	-
Disposals	-	-	-	-
<b>At 31 December 2021</b>	<b>164,744</b>	<b>265,287</b>	<b>26,522</b>	<b>456,553</b>
<b>Accumulated depreciation</b>				
At 1 January 2021	137,703	265,287	24,851	427,841
Charge for the year	16,476	-	476	16,952
Disposals	-	-	-	-
<b>At 31 December 2021</b>	<b>154,179</b>	<b>265,287</b>	<b>25,327</b>	<b>444,793</b>
<b>Net book value</b>				
<b>At 31 December 2021</b>	<b>10,565</b>	<b>-</b>	<b>1,195</b>	<b>11,760</b>
At 31 December 2020	27,041	-	1,671	28,712

All properties are freehold and held for the purposes of providing supported housing.

Accumulated depreciation includes amounts historically disclosed as Social Housing Grant within the note, which relate back to depreciation of deemed cost excluding grants received on the original recognition of the property.

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2021

### 8 Investments

#### Fixed asset investment

	2021 £	2020 £
<b>Market value</b>		
At 1 January	1,063,928	1,165,425
Additions at cost	4,800	4,800
Revaluation	71,653	(106,297)
<b>At 31 December</b>	<b>1,140,381</b>	<b>1,063,928</b>
	£	£
<b>Historical cost</b>	263,976	259,176

#### Current asset investment

	2021 £	2020 £
<b>Market value</b>		
At 1 January	1,824,005	2,006,241
Additions at cost	-	-
Revaluation	122,290	(182,236)
<b>At 31 December</b>	<b>1,946,295</b>	<b>1,824,005</b>
	£	£
<b>Historical cost</b>	1,630,000	1,630,000

The funds continue to be invested in The Merchant Venturers' Charities Investment Pool ("MVCIP") (Charity Number 1053459).

The current asset investment represents the proceeds of sale of St Nicholas with Burton's in 2007 and the proceeds of sale of Merchants' Almshouse in 2014 and does not form part of the endowment fund of the Charity. The Charity is actively looking for the best use of these funds for new almshouses to meet its objectives.

Variations in the market value of the investments are shown by way of movement in the investment revaluation reserve (see note 13).

### 9 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Rent	8,042	1,279
Other debtors	23,808	21,060
Prepayments and accrued income	3,141	4,385
	<b>34,991</b>	<b>26,724</b>

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2021

### 10 Investments held on account of the extraordinary repair reserve

The investments held on account of the extraordinary repair reserve are held by COIF. Withdrawals from the reserve must be approved by the Trustee and income arising from the investments is accumulated in the reserve. The investments are stated at their market value on 31 December 2021. Their historical cost is £70,534 (2020: £69,304).

<b>Market value</b>	<b>2021 £</b>	<b>2020 £</b>
At 1 January	<b>308,696</b>	280,048
Additions at cost	<b>1,230</b>	1,230
Revaluation to market value	<b>53,666</b>	27,418
<b>At 31 December</b>	<b>363,592</b>	308,696

### 11 Creditors: amounts falling due within one year

	<b>2021 £</b>	<b>2020 £</b>
Other creditors	<b>14,074</b>	13,122
Accruals and deferred income	<b>14,616</b>	16,017
	<b>28,690</b>	29,139

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2021

### 12 Capital account

	£
At 1 January 2021	263,976
Transfer from income and expenditure account	4,800
<b>At 31 December 2021</b>	<b>268,776</b>

The capital account and fixed asset investment revaluation reserve form the endowment fund of the Charity. A transfer from income and expenditure has been made under a recoupment order (see accounting policies).

### 13 Investment revaluation reserve

	Current asset investment £	Fixed asset investment £	Total £
At 1 January 2021	194,005	804,752	998,757
Revaluation to market value	122,290	71,653	193,943
<b>At 31 December 2021</b>	<b>316,295</b>	<b>876,405</b>	<b>1,192,700</b>

Movements on the investment revaluation reserve represent changes in the market value of the current and fixed asset investments held on account of the share of the Charity in the Merchant Venturers' Charities Investment Pool (see note 8).

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2021

### 14 Extraordinary repair reserve

	£
At 1 January 2020	308,696
Transfer from income and expenditure account	1,230
Investment revaluation for year	53,666
<b>At 31 December 2021</b>	<b>363,592</b>

### 15 Revenue reserve

	£
At 1 January 2021	2,363,910
Surplus on ordinary activities for year	116,472
Transfer to extraordinary repair reserve	(1,230)
Transfer to capital account	(4,800)
<b>At 31 December 2021</b>	<b>2,474,352</b>

### 16 Transactions with related parties

#### Society of Merchant Venturers

The Charity incurred a reallocation of salaries and overhead costs of £12,170 (2020: £11,730) from the Society of Merchant Venturers, to cover the services it provides in relation to the management and administration of the Charity, of which £nil is outstanding at the year-end (2020: £nil).

#### Merchant Venturers' Charities Investment Pool (MVCIP)

SMV Trustee Company Limited is the Trustee of MVCIP and the ultimate controlling party of The Society of Merchant Venturers' Almshouses Charity. For details of investments held and income received from investments in MVCIP, see notes 4 and 8. At 31 December 2021 the charity was owed £nil by MVCIP (2020: £nil).

### 17 Connected charity

The Cote Charity (Registered Charity Number 257237) is a connected charity under the definition of the Charities' SORP 2019 as it has related objects and the same Trustee as The Society of Merchant Venturers' Almshouses Charity. Further information can be obtained from the Charity's registered address detailed on page 1 of the Report of the Trustee.

The Society of Merchant Venturers' Almshouses Charity incurred a charge of £4,604 (2020: £4,569) for the services of the Almshouse Manager, and a charge of £5,411 for a maintenance officer (2020: £5,377). At 31 December 2021 £nil (2020: £2,487) was owed by The Society of Merchant Venturers' Almshouse Charity to The Cote Charity relating to these services. The Society of Merchant Venturers' Almshouse Charity provided the services of a Chaplain to The Cote Charity at a cost of £275 (2019: £587) of which £138 (2020: £nil) was outstanding at 31 December 2021.

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2021

### 18 Owned / Managed units (Social Housing)

#### Number of units as at 31 December 2021

The Charity owns 12 units for disadvantaged people of which 9 have been fully occupied throughout the year (2020: 9 fully occupied).

#### Residents' rents

Residents rents are set using the legislation which prescribes a formula of Consumer Price Index (CPI) + 1%. Where necessary, all or part of the rent can be reclaimed. From 1 April 2021 rent for the Almshouse was £168 per week.

The charging of rents produced a contribution net of voids over the year of £94,498 (2020: £85,038).

**THE SOCIETY OF MERCHANT VENTURERS ALMSHOUSES CHARITY**

England & Wales - Charity number 202152

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# Accounts

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Homes & Community Agency Registered Number: A3603  
Charity Registered Number: 202152

**The Society of Merchant Venturers'  
Almshouses Charity**

**Annual report and financial statements  
for the year ended 31 December 2020**

# **The Society of Merchant Venturers' Almshouses Charity**

## **Annual report and financial statements for the year ended 31 December 2020**

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# The Society of Merchant Venturers' Almshouses Charity

## Report of the Trustee for the year ended 31 December 2020

The Trustee presents its annual report and the audited financial statements for the year ended 31 December 2020.

These financial statements have been prepared in accordance with the Trust deed, the Statement of Recommended Practice "Accounting by Registered Social Landlords" (updated 2019), the Accounting Direction for Private Registered Providers of Social Housing 2019 and FRS 102.

### Trustee, officers and advisers

The Trustee of the Charity is SMV Trustee Company Limited.

Listed below are those members who have served on the Board of SMV Trustee Company Limited during the year:

Mrs G E Camm DL	
Mr D M Freed	
Mr P Despard	
Mr J R Ancell	
Mr A E Kenny	(Deceased 03 June 2021)
Mr C A Griffiths	
Mr C McAlpine	
Mr A D Garrad CBE	(Retired 10 November 2020)
Mrs L P Marshall	(Retired 10 November 2020)
Mr H L M Bothamley	
Mr J Watson	
Ms A G Bragg	
Mr A Lewis	
Mr R H G Bourns DL	
Mr M Saddiq	
Mr A R E Brown	(Retired 10 November 2020)
Mr C H Green CBE	(Retired 10 November 2020)
Mr J M M Baker	(Appointed 10 November 2020)
Mr A Nisbet	(Appointed 10 November 2020)
Mr M Thatcher	(Appointed 10 November 2020)
Mr R Davidson	(Appointed 10 November 2020)

### Registered address of the Charity

Merchants' Hall  
The Promenade  
Clifton  
Bristol  
BS8 3NH

Charity Number: 202152

Housing Association Number: A3603

# **The Society of Merchant Venturers' Almshouses Charity**

## **Report of the Trustee for the year ended 31 December 2020 (continued)**

### **Names and addresses of other relevant organisations**

#### **Auditor**

KPMG LLP, 66 Queen Square, Bristol, BS1 4BE

#### **Banker**

NatWest Bank plc, 32 Corn Street, Bristol, BS99 7UG

#### **Solicitor**

Mr R N F Drewett DL, Womble Bond Dickinson (UK) LLP, 3 Temple Quay, Temple Back East, Bristol, BS1 6DZ

#### **Investment Managers**

Smith & Williamson Investment Management LLP, Portwall Place, Portwall Lane, Bristol, BS1 6NA  
(via the Merchant Venturers' Charities Investment Pool (MVCIP), Charity Number 1053459)

COIF Charity Funds, CCLA Investment Management Ltd, 80 Cheapside, London, EC2V 6DZ

### **Reference and administrative information**

The Almshouses Charity is a Registered Social Landlord (Homes & Community Agency number A3603) and a charity registered with the Charity Commission (charity registration number 202152).

The information with respect to the Trustee, officers and advisers set out on page 1 forms part of this report.

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

#### **Governing document**

The Charity is constituted under a Charity Commission Scheme dated 29 May 1985 as amended by a Scheme dated 8 May 1991, 2 May 1996 and 3 January 2017 and is a registered charity, number 202152.

#### **Governing body and organisational management**

The Trustee of the Charity is SMV Trustee Company Limited. On 3 January 2017 a Charity Commission Scheme was made which appointed a corporate body as trustee of the Charity in place of the Society of Merchant Venturers. This is a company limited by guarantee, SMV Trustee Company Limited and it effectively stepped into the shoes of the Society of Merchant Venturers as Trustee from 1 January 2017. All the members of the Society of Merchant Venturers' Standing Committee (who were the de facto trustees before the order was made) are Directors of SMV Trustee Company Limited together with two independent directors, who serve for a three-year term.

The Trustee meets to consider, at least on a quarterly basis, the broad strategy, direction and investment policy of the Charity.

# The Society of Merchant Venturers' Almshouses Charity

## Report of the Trustee for the year ended 31 December 2020 (continued)

### Governing body and organisational management (continued)

The Charity is a Registered Social Landlord and, under the supervision of the Trustee, is managed by the Care of Older People Sub-Committee of the Society of Merchant Venturers, the members of which are:

Mr J S Laycock DL (Chairman) ^  
Mr S R Parsons MBE DL ^  
Mrs C-J Duckworth DL \*  
Mrs A M Nisbet DL  
Mr C H C Densham ^  
Mr R G Davis ^  
Mr C J Pople ^  
Mrs M Prior CVO MBE ^  
Mr C A Griffiths \*  
Mr J Telling  
Dr J M Cornish ^  
Mr A R E Brown ^ (Appointed 10 November 2020)

\* Denotes Standing Committee member

^ Denotes member of the Society of Merchant Venturers

The Sub-Committee meets at least quarterly to oversee and administer the efficient management of the Charity and to consider and subsequently recommend and gain approval from the Trustee for broad operational and strategic issues. The tenure of membership is 3 years, re-electable for a further 3 years and, in special circumstances, tenure can be extended. The induction process for any newly appointed member includes an initial meeting and site visits with the Chairman.

Accounting support is provided by the Merchant Venturers' Finance department.

### Recruitment and training of the Trustee

The Directors of SMV Trustee Company Limited are elected annually from within the membership of the Society and are appraised of the general duties of a trustee. In the event of significant changes to legislation or best practice, further relevant training is undertaken. The management and strategy of the Charity are considered in greater detail by the Care of Older People Sub-Committee. The members of this Sub-Committee bring with them the necessary financial, property and care skills that enable them to deal both with more immediate issues as well as to assess, monitor and make the necessary recommendations for the future strategic direction and well-being of the Charity.

### Risk management

In the light of the Corporate Governance guidance contained within the Statement of Recommended Practice 2019 "Accounting and Reporting by Charities", the Trustee examined the major risks faced by the Charity.

In addition to managing the response to COVID-19, the Trustee continues to monitor and manage ongoing risks relating to areas such as the achievement of the charitable objects and the protection of the charity's assets. Systems are in place to monitor and control these risks to mitigate the impact that they may have on the charity in the future.

# **The Society of Merchant Venturers' Almshouses Charity**

## **Report of the Trustee for the year ended 31 December 2020 (continued)**

### **Risk management (continued)**

The Merchant Venturers' Audit Committee is responsible for assessing the scope and effectiveness of the systems and processes established by management to identify, assess, manage and monitor the financial and non-financial risks. The risk register is reviewed and updated as required and no less frequently than twice yearly by Management, by the Care of Older People Sub-Committee and by the Merchant Venturers' Audit Committee and is noted by the Trustee.

The Charity is reliant on the income from its investments and on the income from residents to enable it to provide accommodation in the furtherance of its charitable objectives. The charity does however have reserves in significant excess of its annual expenditure and therefore if required it could meet expenditure from these reserves.

### **Objectives and activities**

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

### **Objects of the Charity**

The objects of the Charity, defined in the Charity Commission Scheme, which should be referred to for exact details, are:

"To provide Almshouses for poor persons of good character who (except in special cases to be approved by the Charity Commission) are inhabitants of the City of Bristol. In selecting residents for Colston's Almshouse preference should be given to members of the Church of England."

During the year the Charity has continued to provide accommodation for older people in accordance with the terms of the Scheme via the 12 self-contained accommodation units at Colston's Almshouse.

### **Aims and intended impact**

The aim of the Charity is to provide affordable, suitable and fit for purpose accommodation for persons of good character. The Trustee has given careful consideration to the level of fees set for Colston's Almshouse and has adhered to the legislation which prescribes a formula of Consumer Price Index (CPI) + 1%. This enables the majority of residents at the Almshouse to meet their fees for rents wholly from Housing Benefit (where they are eligible individuals).

### **Objectives for the year**

This year the focus has been ensuring that Colston's Almshouse is operated, equipped and maintained to meet both current and future social housing requirements.

### **Strategies to achieve the objectives**

The future short and long-term maintenance needs of Colston's Almshouses have been considered in the light of changing requirements of the residents. The Almshouse should receive sufficient investment to meet expectations of future residents.

# **The Society of Merchant Venturers' Almshouses Charity**

## **Report of the Trustee for the year ended 31 December 2020 (continued)**

### **Achievements and performance**

Throughout the year Colston's Almshouse has provided 12 flats to those in need at social housing rates. Occupants of this close-knit community enjoy all the advantages of a historic building and setting but located in an inner-city environment. The Trustee continues to monitor and maintain the building for the benefit of the residents and improve units, as they become vacant.

### **Financial review**

The operating surplus for the year was £18,452 (2019: £13,745).

The statement on page 9 shows total comprehensive (deficit) for the year of (£141,536) (2019: £618,426 income). The decrease from 2019 to 2020 is largely due to the unrealised loss on investments totalling (£288,533) (2019: £435,479 unrealised gain).

### **Investment policy and performance**

The Trustee has delegated investment management to the Merchant Venturers' Finance and Investment Sub-Committee, including the investment and performance of the financial assets; the appointment of appropriate Fund Managers and monitoring their performance; and to recommend to the Trustee optimum strategy for financial investment.

The Merchant Venturers Finance and Investment Sub-Committee's policy is to increase income whilst preserving the real value of the investments. The income provides unrestricted funds to enable the Trustee to pursue the objects of the Charity, including plans for the future. The funds continue to be invested in The Merchant Venturers' Charities Investment Pool ("MVCIP") (Charity Number 1053459).

2020 saw volatility for stock markets. The Coronavirus pandemic led to a fall in dividend distributions and valuations and then a rebound following vaccine approvals and inoculation roll out. Global policy measures provided a supportive backdrop for risk assets. During the year the Bank of England's Monetary Policy Committee cut the base rate from 0.75% to 0.25% and then 0.1%. The total return of the investment portfolio in the year was a loss of (6.21)% versus the blended composite benchmark of (4.2)% (2019: gain of 20.9% versus the composite benchmark of 16.2%).

During 2020 the Trustee restructured the MVCIP portfolio with the aim of providing predictable investment income in 2021.

### **Reserves policy**

The Trustee aims as far as possible to maintain two years of resources expended in the revenue reserve. At 31 December 2020 the revenue reserve was at £2,363,910.

The revenue reserve also includes the proceeds of sale of St Nicholas with Burton's Almshouse (£830,000) and Merchants' Almshouse (£620,000) which will be used in the reprovion of new almshouses.

The Extraordinary Repair Reserve of £308,696 at 31 December 2020 (2019: £280,048) provides for major maintenance and repair of an extraordinary and irregular nature. This policy is subject to annual review.

The Trustee transfers £1,230 into the Extraordinary Repair Reserve on an annual basis.

# **The Society of Merchant Venturers' Almshouses Charity**

## **Report of the Trustee for the year ended 31 December 2020 (continued)**

### **Going concern**

The financial statements have been prepared on a going concern basis which the Trustee considers to be appropriate for the following reasons.

The Trustee has prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the charity will have sufficient funds to meet its liabilities as they fall due for that period.

The downside scenarios arising from the pandemic considered by the Trustee include a situation where income is significantly reduced. The Charity has current assets considerably in excess of its liabilities and, even with a significant fall in income, has sufficient resources to meet its liabilities as they fall due throughout the forecast period.

Consequently, the Trustee is confident that the Charity will have sufficient funds to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore has prepared the financial statements on a going concern basis.

### **Governance and Financial Viability**

In accordance with the Accounting Direction for Private Registered Providers of Social Housing 2019, the Trustee certifies compliance with the governance and financial viability standard.

### **Future plans**

Following an acknowledgement of the need to plan for and meet changing needs and expectations a strategic review of the future of the Almshouses was conducted during 2016.

It is planned to use the proceeds of the sale of Merchants' Almshouse in 2014 together with the proceeds of the sale in 2007 of St Nicholas with Burton's Almshouse, in the re-provision of new almshouses.

During 2021 the Trustee plans to explore opportunities to work in partnership with other Charities to achieve this aim.

# The Society of Merchant Venturers' Almshouses Charity

## Report of the Trustee for the year ended 31 December 2020 (continued)

### Accounting and reporting responsibilities

#### Statement of Trustee's responsibilities in respect of the Trustee's Annual Report and the financial statements

Under charity law, the trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and regulations. The trustees are required to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustee:

- selects suitable accounting policies and then apply them consistently;
- makes judgements and estimates that are reasonable and prudent;
- states whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- states whether the financial statements comply with the trust deed [and rules], subject to any material departures disclosed and explained in the financial statements;
- assesses the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- uses the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The trustee is required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping accounting records which are sufficient to show and explain the charity's transactions and disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Signed for and on behalf of the Trustee



G E Camm DL  
Director

28 JUN 2021

# Independent auditor's report to the Trustee of The Society of Merchant Venturers' Almshouses Charity

## Opinion

We have audited the financial statements of The Society of Merchant Venturers' Almshouses Charity ("the charity") for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet and related notes, including the accounting policies on pages 13 to 14.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

## Basis for opinion

We have been appointed as auditor under section 145 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charity or to cease its operations, and as they have concluded that the charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charity's business model and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charity will continue in operation.

## **Independent auditor's report to the Trustee of The Society of Merchant Venturers' Almshouses Charity (continued)**

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management as to the charity's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Standing Committee, audit committee, and investment committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected year on year movements.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

### **Other information**

The trustee is responsible for the other information, which comprises the Report of the Trustee. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

### **Matters on which we are required to report by exception**

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

### **Trustees' responsibilities**

As explained more fully in their statement set out on page 7, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

# **Independent auditor's report to the Trustee of The Society of Merchant Venturers' Almshouses Charity (continued)**

## **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the charity's trustees as a body, in accordance with section 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. 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 auditor's 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Jonathan Brown**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

*KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006*

66 Queen Square

Bristol

BS1 4BE

Date: 2 July 2021

# The Society of Merchant Venturers' Almshouses Charity

## Statement of comprehensive income for the year ended 31 December 2020

	Notes	2020		2019	
		£	£	£	£
<b>Turnover</b>					
Rental income		98,724		96,082	
Services charges	1	6,082		5,681	
Less: Rent losses from voids		(19,768)		(2,833)	
Net contribution			85,038		98,930
Other rental income			40,600		38,008
			<b>125,638</b>		<b>136,938</b>
<b>Operating costs</b>					
Services		42,027		50,747	
Management	16 & 17	16,299		15,806	
Routine maintenance		31,794		39,963	
Depreciation		17,066		16,677	
			<b>(107,186)</b>		<b>(123,193)</b>
<b>Operating surplus</b>			<b>18,452</b>		<b>13,745</b>
Unrealised (loss)/gain on investments	8	(288,533)		435,479	
Unrealised gain on investments of designated reserves	10 & 14	27,418		49,498	
<b>Net (deficit)/surplus</b>			<b>(242,663)</b>		<b>498,722</b>
Interest receivable and other income	4	101,679		120,382	
Interest payable and similar expenses	5	(552)		(678)	
<b>Total comprehensive (deficit)/income for the year</b>			<b>(141,536)</b>		<b>618,426</b>

The results presented above relate wholly to continuing activities.

There is no difference between the surplus on ordinary activities for the year as stated above and their historical cost equivalents.

The accompanying notes form part of the financial statements.

# The Society of Merchant Venturers' Almshouses Charity

## The Society of Merchant Venturers' Almshouses Charity (Charity Number 202152) Balance sheet at 31 December 2020

	Notes	2020		2019	
		£	£	£	£
<b>Fixed assets</b>					
Housing properties	7	307,392		324,458	
Less: Social Housing Grant	7	(278,680)		(278,680)	
			28,712		45,778
Investments	8		1,063,928		1,165,425
<b>Total fixed assets</b>			<b>1,092,640</b>		<b>1,211,203</b>
<b>Current assets</b>					
Debtors	9	26,724		35,413	
Investments	8	1,824,005		2,006,241	
Extraordinary repair reserve investments	10	308,696		280,048	
Cash at bank and in hand		712,413		567,765	
			2,871,838		2,889,467
<b>Creditors: amounts falling due within one year</b>	11	<b>(29,139)</b>		<b>(23,795)</b>	
<b>Net current assets</b>			<b>2,842,699</b>		<b>2,865,672</b>
<b>Net assets</b>			<b>3,935,339</b>		<b>4,076,875</b>
<b>Capital and reserves</b>					
Capital account	12	263,976		259,176	
Investment revaluation reserve	13	998,757		1,287,290	
Extraordinary repair reserve	14	308,696		280,048	
Revenue reserve	15	2,363,910		2,250,361	
<b>Total capital and reserves</b>			<b>3,935,339</b>		<b>4,076,875</b>

The financial statements on pages 11 to 21 were approved by the Trustee on 23 JUNE 2021 and are signed on its behalf by:



G E Camm DL  
Director



Mr D M Freed  
Director

# The Society of Merchant Venturers' Almshouses Charity

## Principal accounting policies

### Presentation of financial statements

The financial statements have been prepared in accordance with the historical cost convention as modified by the revaluation of investments. They comply with the Statement of Recommended Practice for Accounting by Registered Social Landlords (SORP) (2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Accounting Direction for Private Registered Providers of Social Housing 2019.

The accounting policies that the Charity has adopted to determine the amounts included in respect of material items shown in the balance sheet and also to determine the income and expenditure have been applied consistently in the current and preceding year and are shown below.

The Society of Merchant Venturers' Almshouses Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

### Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments, and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)" applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102).

### Going Concern

The Trustee has considered whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustee makes this assessment for a period of twelve months from the date of approval of the financial statements.

The global coronavirus disease (COVID-19) pandemic has had an effect on the valuation of investments in 2020. During 2020 the Trustee restructured the MVCIP portfolio (the pool in which the investments sit) with the aim of providing predictable investment income in 2021. The Trustee considers that typically the rental income covers general running costs and that larger maintenance spends funded by investment income will be adjusted to reflect any changes to investment and other income if required. Under all the scenarios reviewed, the charity has sufficient reserves to enable it to continue as a going concern for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

### Critical accounting judgements and key sources of estimation uncertainty

In applying the charity's accounting policies, the Trustee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

### Turnover

Turnover represents rental income and maintenance contributions receivable. All turnover is derived from operations in the United Kingdom.

### Expenditure

Expenditure is accounted for on an accruals basis, inclusive of irrecoverable VAT, and is recognised when there is a legal or constructive obligation to pay for expenditure.

### Housing properties

The almshouse is stated at original cost less accumulated depreciation.

# The Society of Merchant Venturers' Almshouses Charity

## Principal accounting policies (continued)

### Fixed assets and depreciation

Depreciation is charged on the historic cost of property after deducting the Housing Association Grant. The charge on fixtures and fittings is calculated so as to write off assets on a straight-line basis over the expected useful economic lives of the assets concerned. The annual rates used for this purpose have been:

Freehold properties	2%
Building improvements	10%
Fixtures and fittings	20%

Land is not depreciated.

Assets with a cost of less than £1,000 are written off to expenditure during the year.

### Investments

Both current and fixed asset investments are stated at mid-market value at balance sheet date. This is not in accordance with FRS102 which recommends bid value but is consistent with the entity's performance management process. Using bid values would lead to a reduction in the valuation of these listed investments of an amount which is considered by the Trustee to be immaterial.

The income and expenditure account includes the net gains and losses arising on revaluations and disposals during the year.

### Social Housing Grant

Capital Housing Association grants are deducted from the cost of the housing properties as shown on the face of the Balance sheet.

### Extraordinary repair reserve

An amount is transferred annually from revenue to this reserve to provide for major expenditure of an extraordinary nature (notes 10 and 14). The amount so transferred is authorised by the Charity Commission.

### Apportionment order

The apportionment order recoups capital expenditure on the renovation of the St Nicholas with Burton's Almshouses from 20 August 1996 to 27 October 1997 (note 18). Payment is made over 25 years by way of annual contributions pursuant of a Charity Commission order dated 2 May 1996 and is invested in the Merchant Venturers' Charities Investment Pool ("MVCIP") (Charity Number 1053459).

### Irrecoverable VAT

Any irrecoverable VAT is charged to the income and expenditure account or capitalised as part of the cost of the related asset, where appropriate.

### Cash flow statement

A statement of cash flows has not been prepared as the charity has taken advantage of the exemption available in the SORP for smaller charities.

### Taxation

The Society of Merchant Venturers' Almshouses Charity is registered as a charity and as such tax exemption applies to the income arising from and expended on charitable activities and to its investment income and gains.

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2020

### 1 Rental income from residents

Within the rental income from residents is £6,082 relating to service charges (2019: £5,681).

### 2 Trustee's emoluments

The Trustee did not receive any emoluments or reimbursement of expenses in respect of services during the year (2019: nil), nor had any beneficial interest in any contract with the Charity during the year or in the prior year.

### 3 Employee information

The Charity had no employees in either 2019 or 2020. However, a recharge is made by the Society of Merchant Venturers and The Cote Charity as disclosed in notes 18 and 19.

### 4 Interest receivable and other income

	2020 £	2019 £
Investment income	100,755	118,248
Other income	924	2,134
	<b>101,679</b>	<b>120,382</b>

### 5 Interest payable and similar charges

	2020 £	2019 £
Bank interest and charges	552	678
	<b>552</b>	<b>678</b>

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2020

### 6 Surplus on ordinary activities

	2020 £	2019 £
Surplus on ordinary activities is stated after charging:		
Audit fee	5,316	5,316
Depreciation on owned assets	17,066	16,677

The audit fee excluding irrecoverable VAT was £4,430 (2019: £4,430).

### 7 Fixed assets – Almshouses

	Building Improvements £	Colston's Almshouse £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2020	164,744	265,287	26,522	456,553
Additions	-	-	-	-
Disposals	-	-	-	-
<b>At 31 December 2020</b>	<b>164,744</b>	<b>265,287</b>	<b>26,522</b>	<b>456,553</b>
<b>Accumulated depreciation</b>				
At 1 January 2020	107,834	-	24,261	132,095
Charge for the year	16,476	-	590	17,066
Disposals	-	-	-	-
<b>At 31 December 2020</b>	<b>124,310</b>	<b>-</b>	<b>24,851</b>	<b>149,161</b>
<b>Net book value</b>				
<b>At 31 December 2020</b>	<b>40,434</b>	<b>265,287</b>	<b>1,671</b>	<b>307,392</b>
At 31 December 2019	56,910	265,287	2,261	324,458
Less: Social Housing Grant				(278,680)
				<b>28,712</b>

All properties are freehold and held for the purposes of providing supported housing. The Social Housing Grant could be repayable upon disposal of the Colston's Almshouse.

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2020

### 8 Investments

#### Fixed asset investment

	2020 £	2019 £
<b>Market value</b>		
At 1 January	1,165,425	1,000,609
Additions at cost	4,800	4,800
Revaluation	(106,297)	160,016
<b>At 31 December</b>	<b>1,063,928</b>	<b>1,165,425</b>
	£	£
<b>Historical cost</b>	<b>259,176</b>	<b>254,376</b>

#### Current asset investment

	2020 £	2019 £
<b>Market value</b>		
At 1 January	2,006,241	1,730,778
Additions at cost	-	-
Revaluation	(182,236)	275,463
<b>At 31 December</b>	<b>1,824,005</b>	<b>2,006,241</b>
	£	£
<b>Historical cost</b>	<b>1,630,000</b>	<b>1,630,000</b>

The funds continue to be invested in The Merchant Venturers' Charities Investment Pool ("MVCIP") (Charity Number 1053459).

The current asset investment represents the proceeds of sale of St Nicholas with Burton's in 2007 and the proceeds of sale of Merchants' Almshouse in 2014 and does not form part of the endowment fund of the Charity. The Charity is actively looking for the best use of these funds for new almshouses to meet its objectives.

Variations in the market value of the investments are shown by way of movement in the investment revaluation reserve (see note 13).

### 9 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Rent	1,279	1,113
Other debtors	21,060	29,889
Prepayments and accrued income	4,385	4,411
	<b>26,724</b>	<b>35,413</b>

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2020

### 10 Investments held on account of the extraordinary repair reserve

The investments held on account of the extraordinary repair reserve are held by COIF. Withdrawals from the reserve must be approved by the Trustee and income arising from the investments is accumulated in the reserve. The investments are stated at their market value on 31 December 2020. Their historical cost is £69,304 (2019: £68,074).

<b>Market value</b>	<b>2020 £</b>	<b>2019 £</b>
At 1 January	<b>280,048</b>	229,320
Additions at cost	<b>1,230</b>	1,230
Revaluation to market value	<b>27,418</b>	49,498
<b>At 31 December</b>	<b>308,696</b>	280,048

### 11 Creditors: amounts falling due within one year

	<b>2020 £</b>	<b>2019 £</b>
Other creditors	<b>13,122</b>	9,884
Accruals and deferred income	<b>16,017</b>	13,911
	<b>29,139</b>	23,795

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2020

### 12 Capital account

	£
At 1 January 2020	259,176
Transfer from income and expenditure account	4,800
<b>At 31 December 2020</b>	<b>263,976</b>

The capital account and fixed asset investment revaluation reserve form the endowment fund of the Charity. A transfer from income and expenditure has been made under a recoupment order (see accounting policies).

### 13 Investment revaluation reserve

	Current asset investment £	Fixed asset Investment £	Total £
At 1 January 2020	376,241	911,049	1,287,290
Revaluation to market value	(182,236)	(106,297)	(288,533)
<b>At 31 December 2020</b>	<b>194,005</b>	<b>804,752</b>	<b>998,757</b>

Movements on the investment revaluation reserve represent changes in the market value of the current and fixed asset investments held on account of the share of the Charity in the Merchant Venturers' Charities Investment Pool (see note 8).

# The Society of Merchant Venturers' Almshouses Charity

## Notes to the financial statements for the year ended 31 December 2020

### 14 Extraordinary repair reserve

	£
At 1 January 2019	280,048
Transfer from income and expenditure account	1,230
Investment revaluation for year	27,418
<b>At 31 December 2020</b>	<b>308,696</b>

### 15 Revenue reserve

	£
At 1 January 2020	2,250,361
Surplus on ordinary activities for year	119,579
Transfer to extraordinary repair reserve	(1,230)
Transfer to capital account	(4,800)
<b>At 31 December 2020</b>	<b>2,363,910</b>

### 16 Transactions with related parties

#### Society of Merchant Venturers

The Charity incurred a reallocation of salaries and overhead costs of £11,730 (2019: £11,430) from the Society of Merchant Venturers, to cover the services it provides in relation to the management and administration of the Charity, of which £nil is outstanding at the year-end (2019: £nil).

#### Merchant Venturers' Charities Investment Pool (MVCIP)

SMV Trustee Company Limited is the Trustee of MVCIP and the ultimate controlling party of The Society of Merchant Venturers' Almshouses Charity. For details of investments held and income received from investments in MVCIP, see notes 4 and 8. At 31 December 2020 the charity was owed £nil by MVCIP (2019: £nil).

### 17 Connected charity

The Cote Charity (Registered Charity Number 257237) is a connected charity under the definition of the Charities' SORP 2019 as it has related objects and the same Trustee as The Society of Merchant Venturers' Almshouses Charity. Further information can be obtained from the Charity's registered address detailed on page 1 of the Report of the Trustee.

The Society of Merchant Venturers' Almshouses Charity incurred a charge of £4,569 (2019: £4,376) for the services of the Colston's Almshouse Manager, a charge of £0 (2019: £nil) for a housekeeper and a charge of £5,377 for a maintenance officer (2019: £5,219). At 31 December 2020 £2,487 (2019: £nil) was owing by the SMV Almshouse Charity to the Cote Charity relating to these services. The SMV Almshouse Charity provided the services of a Chaplain to The Cote Charity at a cost of £587 (2019: £3,672) of which £0 (2019: £625) was outstanding at 31 December 2020.

# **The Society of Merchant Venturers' Almshouses Charity**

## **Notes to the financial statements for the year ended 31 December 2020**

### **18 Owned / Managed units (Social Housing)**

#### **Number of units as at 31 December 2020**

The Charity owns 12 units for disadvantaged people of which 9 have been fully occupied throughout the year (2019: 10 fully occupied).

#### **Residents' rents**

Residents rents are set using the legislation which prescribes a formula of Consumer Price Index (CPI) + 1%. Where necessary, all or part of the rent can be reclaimed. From 1 April 2020 rent for Colston's Almshouse was £164.67 per week.

The charging of rents produced a contribution net of voids over the year of £85,038 (2019: £98,930).

