

**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 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: 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
	128,588	114,299

### 5 Interest payable and similar charges

	2023 £	2022 £
Bank interest and charges	615	398
	615	398

# 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>
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>
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).