

TIVERTON ALMSHOUSE TRUST

England & Wales · Charity number 206984

Details

Other names	TIVERTON ALMSHOUSE CHARITY, TIVERTON ALMSHOUSE TRUST
Status	Registered
Legal form	Other
Registered	1962-07-18
Register	View on the Charity Commission register

Contact

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Activities

Objects: (A) PROVISION OF HOUSING ACCOMMODATION FOR POOR PERSONS NOT LESS THAN 60 YEARS OLD WHO HAVE LIVED IN AREA OF BENEFIT FOR NOT LESS THAN 2 YEARS PRIOR TO APPOINTMENT (B) SUCH CHARITABLE PURPOSES FOR BENEFIT OF RESIDENTS (C) RELIEF OF PERSONS RESIDENT IN AREA OF BENEFIT WHO ARE IN FINANCIAL HARDSHIP.

Activities: Provision of housing for local people over 60 years old and in financial need

Classification

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

Geography

- **Area of benefit:** PARISH OF TIVERTON
- Devon

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£938,160	£940,394	£11,240,690	10
2023-12-31	£865,144	£1,131,489	£10,946,761	9
2022-12-31	£822,438	£1,037,512	£11,016,907	10
2021-12-31	£860,300	£776,260	£11,546,414	9
2020-12-31	£813,932	£799,382	£11,018,889	9

Trustees

Name	Role	Appointed
Brian Berry		2021-07-22
Diana Hewitt		2021-05-27
James Darren Blackburn		2025-08-12
John Pulford		2019-05-12
Jonathan David Crompton		2025-08-12
Les Cruwys		2023-11-20
Lorna Perry		2025-08-12
Richard Ives		2023-11-27
Roger Stickland		2021-07-06
Tiverton Almshouse Trustee Limited		2014-08-18

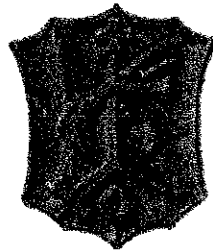
Linked charities

- HANNAH BOASE (206984-1)
- GEORGE SLEES ALMSHOUSES (206984-10)
- MARY MARSHALL (206984-11)
- ANNA MARIA TURNER (206984-12)
- ELSIE BESLEY'S (206984-2)
- JOHN BURY'S (206984-3)
- JAMES L GREENWAYS ENDOWMENT (206984-4)
- JOHN GREENWAY'S CHARITY (206984-5)
- TYRELL'S GIFT (206984-6)
- JOHN WALDRON'S ALMSHOUSES (206984-7)
- PHILIP BLUNDELL'S (206984-8)
- ANNA MARIA TURNER'S (206984-9)

TIVERTON ALMSHOUSE TRUST

England & Wales - Charity number 206984

Accounts



Report of the Trustees and Audited Financial Statements
For the Year Ended 31 December 2024
For
TIVERTON ALMSHOUSE TRUST

TIVERTON ALMSHOUSE TRUST
Contents of the Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2024

	Page
Report of the Corporate Trustee	1-12
Statement on internal control systems	13
Corporate Trustees' responsibilities statement	14
Independent Auditor's report	15-17
Statement of comprehensive income (including income and expenditure account)	18
Statement of financial position	19
Statement of changes in equity and reserves	20
Statement of cash flows	21
Notes to the financial statements	22-31

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2024

The Corporate Trustee presents this report with the financial statements of the charity for the year ended 31 December 2024.

INTRODUCTION

The Corporate Trustee is pleased to report that the agreed objectives central to the work of the Tiverton Almshouse Trust of maintaining and improving core charitable activities, planning for the future and delivering a healthy financial position have been satisfied.

Tiverton Almshouse Trust is regulated by the Charity Commission and the Regulator of Social Housing (formerly the Homes and Communities Agency).

This report includes references to the Financial Statements attached and aims to address the regulatory requirements of the Regulator of Social Housing three economic standards: Value for Money, Governance and Financial Viability and the Rent Standard, throughout, as part of the reporting structure.

Total income in 2024 from charitable activities and other income was £938,160 (2023: £865,144). The total expenditure was £940,394 (2023: £1,321,489). The gain on investments was £226,163, which includes an unrealised gain of £105,782 and a realised gain of £120,381. In 2023 there was a deficit of £70,146. The surplus for the year 2024 was £293,929. The deficit in 2023 was the result of important repair and maintenance works for the upkeep of the Trust's portfolio of properties.

CODE OF GOVERNANCE

The Charities Code of Governance 2020 has been adopted by the Board in line with Charity Commission guidance. Tiverton Almshouse Trust falls between the Code for smaller and larger charities (defined as turnover below and above £1m respectively). The Board aspires to meet the recommendations set out for larger charities whilst maintaining a level of proportionality. The Code is produced by the NCVO, ICSA, ACEVO, Association of Chairs and the Small Charities Coalition with the oversight of The Charity Commission

1. OBJECTIVES AND ACTIVITIES

The objects of the Tiverton Almshouse Trust in the Scheme made by the Charity Commission dated 10 September 2009 (as amended by the Scheme dated 28 July 2014) are:

- a. the provision of housing accommodation for poor persons not less than 60 years old who have lived in the area of benefit for not less than 2 years prior to the appointment.
- b. such charitable purposes for the benefit of the residents as the Corporate Trustee decides
- c. the relief of persons resident in the area of benefit who are in financial hardship by:
 - i. making grants of money to them; or
 - ii. providing or paying for goods, services or facilities for them; or
 - iii. making grants to other organisations or institutions which provide goods, services or facilities for those in financial hardship.

The use of income and capital must firstly be applied to meet the proper costs of administering the charity and managing its assets (including repair and insurance of its buildings) and to make annual payments into the reserve funds considered necessary in the annual budget.

The remaining income to further the objects of the charity are made in the following order of priority:

- a. the benefit of the residents
- b. the relief of financial hardship of persons living in the area of benefit (which is Tiverton and environs).

The greatest activity within the Trust is the maintenance of its properties. In addition to almshouse accommodation, the Trust also owns investment property in Tiverton.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2024

The Board considers that the objects are still relevant to the work of the charity. The popularity of the almshouse accommodation, the low level of voids and the financial security of the organisation means that it achieves, and can sustain, its objectives.

Plans for the future address how those objectives can be taken forward to enable beneficiaries to continue to benefit from the Trust's charitable activities given the growing population of elderly and frail people.

Public Benefit

In carrying out the Trust's aims and objectives and in measuring achievements and performance, the Corporate Trustee has had regard to the Charity Commission's guidance dated February 2014 entitled "Public Benefit: rules for charities". Given that the Trust's objective is the relief of poverty (see objects above) only the benefit aspect of "public benefit" requires satisfying. The Commission specifies that the purpose of the charity must be beneficial in a way that is identifiable and capable of being proved by evidence where necessary and not based on personal views. The most quantifiable measure to identify whether the charity has a benefit to the local population eligible for accommodation is the low level of voids within the almshouses.

Tiverton Almshouse Trust almshouse properties are usually fully occupied with no voids (a void is defined as an empty flat awaiting allocation with no further redecorating or refurbishment required before it is occupied). The National Almshouse Association considers a 5% minimum void rate is acceptable and a void allowance of up to 12.5% may be suitable for small groups of almshouses, given the specific beneficiary group they serve. That would indicate that 4 to 9 of the Trust's properties could be void at any one time. The Trust had 99.25% occupancy throughout the year in 2024 under the above definition.

In line with the Trust's governing scheme 2009, the charity provides housing for local people over 60 years old and in financial need. Through regular advertising, open days, contact with Mid Devon District Council, and local voluntary agencies and local charities such as the Churches Housing Action Trust (CHAT) the Trust reaches a wide audience. The Trust has a list of eligible applicants waiting for accommodation and they are from a wide variety of backgrounds indicating that the Trust is reaching its beneficiary group. Nevertheless, the Corporate Trustee strives to raise the profile of the Trust within the town still further and a new Strategic Plan for 2025-28 has specific targets for ensuring wider awareness. The rigorous application of a points system ensures each applicant meets the required criteria, enables each applicant to be prioritised primarily based on financial, housing and social need. The applicant in greatest need at the time a vacancy arises is offered the accommodation regardless of how long they have been known on the list.

During 2024, 14 vacancies arose (10 in 2023 and 15 in 2022). The Trust was able to carry out significant refurbishment, including replacing kitchen and bathroom projects taking on average four weeks to complete. The Trust secured new residents immediately as it maintains a detailed list of eligible local people in need who had been previously interviewed so that they can be offered any vacant almshouses as soon as they are available. In some cases, in flats where minimal work was needed, the turnaround to get it ready for the new resident was 4 weeks.

Properties

In total there are 85 almshouses, one unit at Greenway Gardens is occupied by a Resident Warden. The almshouses are on three geographically separate sites within Tiverton, namely:

- (i) Greenway Gardens, King Street (40 units)
- (ii) Slees, Angel Terrace (3 units)
- (iii) John Greenway Close, Gold Street (42 units)

The accommodation is designed for independent living, and as residents get older, the Trust continues to support them for as long as possible, some residents receive third party care packages, social/community services assistance and support from the mental health team as required.

Tiverton Almshouse Trust owns the freehold of several commercial properties in the centre of Tiverton comprising retail and residential flats as well as two office buildings known as Raymond Penny House and John Greenway Building in the centre of town. The Trust also owns two investment properties in Westex, Tiverton.

Going Concern

After a detailed review and examining major areas which could give rise to significant financial risk, the Directors are satisfied that no material exposures exist other than as reflected in these Financial Statements and the Trust has adequate resources to continue its operations for the foreseeable future.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2024

The Directors and management team review bi-monthly budgets with the external accountant, which include a minimum forecast 12-month period as well as a programme of works for five years. Cash liquidity is monitored through updated summaries of cash and investments which in 2024 the board reviewed quarterly in detail.

The Trust receives a steady income to meet annual running costs from commercial rents and the weekly maintenance and utilities contributions from our almshouse residents. Large one-off projects regarding property development and/or significant repairs are reviewed against cash liquidity and available funds, which do not form part of the Trusts permanent endowed fund. Five-year inspections are in place for all the Trust's properties on a rolling programme, in order to plan for large expenditure required over coming years which can be factored into the budget if affordable. In 2024 valuations were completed by Stags Estate Agents of Tiverton of Raymond Penny House and Sleees. The Board and management team review reserves and investment policies annually. A detailed risk register is reviewed by the Board quarterly, looking at potential financial risk areas, inflation, interest rate rises and any impacts these would have on the Trust. The Trust applies stress tests to potential risk scenarios related to our almshouse and commercial income and expenditure and how this may affect budgets and strategic objectives.

The Board and management team review our reserves and investment policies annually. We review our detailed risk register regularly, assessing potential financial risk areas including inflation, interest rate rises and any impacts these would have on the Trust. The Trust applies stress tests to potential risk scenarios related to our almshouse and commercial income and expenditure and how this may affect our budgets and strategic objectives.

2. ACHIEVEMENTS AND PERFORMANCE

Maintaining Properties

The Charity Commission Scheme clearly states that the main object of the charity is to provide almshouses for a specified group of local people. Income and capital must first be used to meet the proper costs of administering the charity and repairing, maintaining and insuring the buildings.

Total expenditure decreased by £191,095 to £940,394 in 2024. The major factor that influenced this decrease was a reduction in repair costs, which totalled £149,968 compared to 2023. Note 4 to the Financial Statements provides a comparison and more detail is provided below.

In 2024, and in line with the quinquennial surveys, the Trust undertook a budgeted programme of works and cyclical maintenance. All significant contracts for programmed works and significant repair works, where applicable, are subject to tender. Minor routine maintenance is managed by the Trust's Repairs and Maintenance Manager or by one of an approved number of sub-contractors. Quotes are not required for work anticipated to be less than £3,000 to avoid inefficiency and wasted staff time and sub-contractor time. Sub-contractors are required to breakdown labour and parts entries on invoices and, where possible, discounts for regular work are requested and often granted. All invoices are reviewed three times before payment; by the Office Manager, the Chief Executive and finally a Director before being approved for payment. At the end of the year, all almshouse, residential and commercial properties were fully let.

Maintenance of Almshouse Properties

Of the £940,394 total operating costs and interest payable in 2024 for all properties (investment properties and almshouses combined) £277,088 was spent on almshouse maintenance by way of programmed works, chapel upkeep and renovation, replacement bathrooms and kitchens, external redecoration and where necessary, redecoration and refurbishment of the ten flats that became vacant.

Increased regulation means increased routine checks, which continue to incur additional financial cost and staff time. The two most costly regulatory functions relate to legionella prevention and fire safety. The monthly, six-monthly, and annual checks for monitoring water hygiene systems to reduce the risk of legionella cost £5,736 in 2024 (2023: £7,564).

In 2024, the cost for the routine checking of fire detection systems was £4,722 (2023 £2,480). These checks are carried out by staff and specialist providers to ensure the Trust fulfils its legal obligations. The requirement to meet more robust guidance and regulations in buildings of differing ages and styles means the Trust is reliant on specialist contractors to carry out some of the works. Quotes are invited for these works and annual contracts are then awarded.

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2024**

2024 Residents' Satisfaction Survey

The Trust is committed to improving services and to reviewing what are the most prominent issues and priorities for our residents by gathering their valuable feedback. The Trust conducted its annual residents' satisfaction survey June to September 2024.

In 2024 the Trust presented an updated, 'fit for purpose' set of questions to all almshouse residents. Summary of responses as follows:

- 70 out of 92 (76%) of almshouse residents completed the survey.
- 96% of responders said that they would recommend Tiverton Almshouse Trust accommodation.
- Of the 13 questions in the survey requiring a satisfaction rating, 95% responded as either satisfied or very satisfied.

Investment Property Maintenance

Expenditure on day-to-day maintenance on the Trust's investment properties was significantly less than on almshouse properties, which is to be expected given the tenancy agreements on the former which oblige commercial tenants to keep properties in good and tenable repair. In 2024 the routine and cyclical maintenance expenditure for the Trust on these properties was £52,226 (2023: £51,535), primarily consisting of servicing and general repairs.

Provision of Almshouse Accommodation

Tiverton Almshouse Trust is a social housing provider registered with, and regulated by, the Regulator of Social Housing. The Trust is also a registered charity with the Charity Commission. The main purpose of the organisation is to provide housing to local people over 60 years of age and in financial and/or social need. Applications are encouraged from anyone who believes they fulfil the basic three criteria and are scrutinised in line with an internally approved policy which is regularly reviewed to ensure consistency and relevance.

One of our two main sites, Greenway Gardens, has a Resident Warden. The third site, known as Slees, is a historic building in the town centre comprising three flats. Residents at Slees are not visited regularly by a Resident Warden but the Housing Manager will visit as necessary. In general, residents at Slees need to be more independent and mobile due to the restrictive historical layout of the property.

The remit of the Wardens is to ensure the pastoral and daily well-being of all residents. Wardens do not provide personal care but can assist residents in day-to-day living. There is a 24-hour emergency call system (Tunstall) within both Greenway Gardens and John Greenway Close sites, enabling residents to access emergency help at all times of the day and night. The Wardens maintain regular contact with family members when necessary or when a resident is unwell. Wardens also provide a variety of optional social activities, held in the community rooms at each of the two main sites.

The Trust holds quarterly Board meetings, attended by appointed Directors, the Chief Executive Officer and any required invited guests (for example, the Trust's accountant) when relevant almshouse resident issues are shared with the Board.

In 2024, almshouse residents paid a Weekly Maintenance Contribution (WMC) for their accommodation plus a contribution to the supply of water and gas utilities (UC). WMC ranged from £469.63 per month to £638.91 per month depending on the accommodation provided. In addition, all residents paid a (UC) based on single occupancy at £123.88 per month and £154.52 for a couple.

The Corporate Trustee aims to keep resident contributions as low as possible considering the rent standard provided by the Regulator of Social Housing (RSH) and equivalent fair rent assessments from the Valuation Office Agency (VOA). In addition, the Chief Executive consults with Mid Devon District Council on any WMC increase to ensure that those residents who require assistance can access 100% of the rent payment through housing benefit if eligible. In addition, any WMC increases are capped at the previous years' CPI for September +1%.

The Corporate Trustee strives to ensure a fair, consistent, and transparent process when allocating almshouse accommodation. There is an approved policy within the Trust to promote its services via the Trust's website and to maintain regular contact with local support organisations such as the Churches Housing Action Trust (CHAT) as well as Devon Home Choice (the bidding portal for local authority housing and housing associations).

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2024

Promotional material is located in Mid Devon District Council's reception. All applicants complete a detailed application form, including a financial information section and are interviewed by the Housing Manager and CEO. A points system is in use to ensure consistency. Those applicants placed on the list awaiting allocation are regularly reviewed and applicants are encouraged to keep in touch with the Housing Manager.

A good working relationship with Mid Devon District Council and local housing charities ensures a wide-ranging local awareness of the Trust's almshouses which includes articles in the local paper and an active, increasing use of social media. Innovative ways to widen the search for applicants are always considered. Once an applicant is accepted in principle a priority weighting system ensures the applicant in greatest need is offered any vacancy first, in accordance with our governing scheme.

The continuing lack of residential care homes and the limited availability of rental property within the town and surrounding area means that our residents are staying in their homes longer than in previous times. Social care support is now provided at home and hospital admissions are generally reserved for emergencies, which means that care agencies and health professionals are frequently on site and we work together in partnership for the benefit of the residents.

Alexandra Lodge

Planning permission was granted in 2015 to Abbeyfield, formally The Abbeyfield Society, for a 45-bed extra-care unit at Alexandra Lodge. The freehold of the property is owned by Tiverton Almshouse Trust and following planning permission, a 250-year lease was assigned to Abbeyfield. Progress has been slow and the site is now in a state of severe disrepair in the main due to the lack of action of Abbeyfield in the re-development of the site. Abbeyfield has declared that they no longer see the development as a viable proposition. Tiverton Almshouse Trust is in communication with Abbeyfield to best understand future options that ensure the site is able at some point in the future to be developed by another organisation, ultimately to benefit the people of Tiverton.

Post year end (12 March 2025) the freehold of the Alexandra Lodge site was sold at auction for £159,000.

Relief of Financial Hardship

Additional objectives of the charity allow for the relief of poverty for local people who are in financial hardship by making grants of money to them or making grants to other organisations or institutions with similar aims. The amount of money donated to achieve this objective is considered by the Corporate Trustee at the AGM each year and a donation may be approved to a local organisation with similar aims. No donations were made in 2024. However, a revised policy was agreed in principal at the November Board meeting with the aim to distribute five grants in 2025 to the value of a maximum £500.00 each.

3. FINANCIAL REVIEW

The Corporate Trustee reviews its reserves and the non-designated funds and expendable endowment to be used for "the proper costs of administering the charity and of managing its assets" (Charity Commission Scheme September 2009). A Reserves Policy addresses the Expendable Endowment and designates funds to the actions approved in the strategic plan. There are regular reviews of operational risks and requirements and sufficient reserves are maintained to address these requirements.

As stated in the Investment policy, the objective of the Corporate Trustee in holding investments within a share portfolio is to produce the best financial return and capital growth within an acceptable risk and to balance the income and capital return.

The four risks identified in the report last year still stand, namely:

- i. Capital growth not keeping up with inflation thereby leading to a decline in the real value of the investment
- ii. Fluctuating income from share portfolios and deposit accounts due to the wider economic environment
- iii. Bank default
- iv. The unknown effect of the current financial economic situation

To limit the above risks, the Board has delegated certain decisions to the Finance and Property Committee (which consists of over half of the Board's number) including allowing those members to re-invest maturing funds subject to the current Financial Services Compensation Scheme Limit. This allows decisions to take advantage of available investment offers (especially fixed rate bonds open for a short time) by acting in a timely manner. All investments, apart from those held within share portfolios, are monitored at every committee meeting.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2024

Shareholding portfolios are managed by professional brokers and/or fund managers and an annual review is undertaken at the November board meeting of the Corporate Trustee. An external investment review takes place annually.

The Corporate Trustee has considered ethical investments to ensure that investments are not made in companies with values not aligned to those of the Trust and has therefore put restrictions on investing in any fund that is linked to the production or sale of tobacco.

It also considered companies who seek to make people homeless, however, this is difficult to monitor and enforce. It was decided not to impose this ethical restriction. The Corporate Trustee accepts that the ethical values of individual directors must not compromise policy decisions.

The Statement of Comprehensive Income (and supporting note 2) show that income received from almshouse residents' weekly contributions (including service charges) has increased by £42,911 (8.95%), primarily as a result of the annual review of charges in April. The Corporate Trustee is mindful of maximising income (for the charity's future sustainability) commensurate with fulfilling the Charity Scheme objective to ensure no resident suffers financial hardship.

Operating costs (note 4) show some changes from the previous year. Overall wage costs are up by £5,695 compared to 2023. The increase is as a result of cost-of-living wage increases and Xmas bonus payments made to staff during the year.

The income from fixed asset investments (shareholdings and deposits) increased by £5,181 over the year despite the continued volatile market caused by the war in Ukraine. The portfolio of investments is valued in 2024 at £4,012,280 (2023: £3,775,269).

The annual total return on the managed portfolio is reflected in Note 12, with realised and unrealised gains of £226,163 (2023: £273,699 gain).

Rents receivable from investment properties have increased by £17,822 to £247,461, compared to the 2023 year (£229,639).

Professional valuations are undertaken on our commercial and residential investment properties, on a five-year rolling programme. This year, formal valuations were carried out on the Trust's two investment properties in Westex South and The Market House. Almshouse properties are included under the cost model and do not form part of the annual valuation cycle.

Permanent endowment (identified as investment properties, housing properties and other investments agreed as such by the Charity Commission as part of their investigations prior to the merger in 2009) has increased from £8,744,381 to £8,948,953, reflecting, an upwards revaluation and unrealised gains on investments, less a disposal of a high reputational risk investment property.

Other Reserves of £1,355,213 shown in the Statement of Financial Position are identified in note 17 and split into:

1. The Extraordinary Repair Fund (ERF) funds the unforeseen expenditure necessary to carry out the Trust's objectives. It also includes Programmed Works, which are based on the five-year budget forecast, the quinquennial surveys and condition surveys that are carried out for the Trust on a regular basis to ensure that there is a rolling programme of maintenance.
2. The Cyclical Maintenance (CMF) fund provides monies for work to maintain properties that is undertaken every so often on a regular, but not annual, basis, such as redecorating almshouses when a resident moves out.
3. Routine works include routine maintenance of the Trust's properties to ensure they remain safe, secure and fit for purpose.

The mortgage debt for the 2004 development of thirty-two new almshouses at John Greenway Close remains the single largest financial commitment. The financial statements show the annual interest payment for the year £23,639 and reduction in the value of the outstanding mortgage of from £521,072 in 2023 to £492,391 in 2024.

The mortgage is held in two separate accounts, one fixed until 2032 and one variable allowing just over half of the sum owing to be paid off at any time should Directors deem it prudent to do so.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2024

4. PLANS FOR THE FUTURE

In November 2024, the Board ratified the Trust's new Strategic Plan 2025-28 'Putting Your Trust In Us'. This new strategy maps out the Trust's vision and purpose for the next 3 years with the following 4 strategic objectives agreed:

1. Service delivery to meet needs and expectations.
2. A 'fit for purpose' property portfolio.
3. Ensuring financial stability.
4. People at the heart of everything we do.

5. CHARITY STRUCTURE, GOVERNANCE AND MANAGEMENT

Tiverton Almshouse Trust is regulated by The Charity Commission and the Regulator of Social Housing (formerly the HCA). Under the latter, it is classed as a Registered Provider of Social Housing. In 2014 a new Charity Commission Scheme changed the way the Trust was governed. Tiverton Almshouse Trust is a registered charity with the objects outlined (see section 1). The 2014 Scheme gave permission for the charity to have one corporate trustee rather than twelve individual trustees and, as a result, a new company limited by guarantee known as Tiverton Almshouse Trustee Ltd was established to be that sole trustee.

Within the company (the corporate trustee) are the seven voluntary directors (previously called trustees). The Tiverton Almshouse Trust Scheme provides the corporate trustee with the same powers as before and the Articles of Association outlines its provisions. The incorporated structure is more recognisable to banking and commercial sectors and provides directors with increased indemnity protection.

Directors have a term of appointment of five years. Directors can be re-appointed and there is no maximum number of terms for re-appointment. Instead, Directors due for retirement on the rotation basis are interviewed by delegated members of the Board under an agreed procedure which remains the same for all directors.

Prior to appointment and re-appointment directors must sign the Charity Commission's Declaration of Eligibility to serve. At each meeting of the board all potential, real and perceived conflicts of interest, loyalty and perception are declared, recorded and discussed. In the event of a conflict or likelihood of a conflict the director in question is asked to leave the room at the appropriate time or refrains from voting on the matter in question.

At the end of 2024, the Board had seven Directors (out of a maximum of twelve permitted under its Articles of Association). The Board has a wide range of the necessary skills and attributes but will actively be seeking additional Directors in 2025. The internal audit of the board takes place at the AGM in May.

Directors

Name	Position	Date appointed/resigned	Skills and experience
Diana R Hewitt	Chair	Appointed 21 May 2021	Retired Director
John A Pulford	Director	Reappointed 14 May 2019	Retired Local Government Officer
Roger M Stickland	Director	Appointed 6 July 2021	Retired Director
Brian C Berry	Director	Appointed 26 July 2021	CEO Federation of Master Builders
Steve Esau	Director	Resigned 26 February 2024	Retired Surveyor
Richard R Ives	Director	Appointed 20 November 2023	IT Consultant

Nominated directors appointed by Tiverton Town Council:

Timothy Bridger	Director	Appointed 20 November 2023	Town Councillor
Leslie Cruwys	Director	Appointed 20 November 2023	Town Councillor

Office of the Trust

The office of the Tiverton Almshouse Trust is:

The Market House, 18 Bampton Street, Tiverton, Devon EX16 6AA.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2024

Trust Staff

Patrick Dummett	Chief Executive Officer
Nicola Anderson	Office Manager
Nicola Askew	Housing Manager
Gavin Strong	Repairs & Maintenance Manager
Lorna Murphy	Administrator
Monica Pike	Housekeeper
Shelley Alford	Finance Administrator

Wardens

Lisa Brooks	Warden, John Greenway Close
Erin Kerrigan	Resident Warden, Greenway Gardens

Advisors to the Trust

Auditors:	PKF Francis Clark, Exeter, Devon
Accountants:	Withers Steele, Tiverton, Devon
Bankers:	Unity Trust Bank, Birmingham
Solicitors:	Ashfords, Exeter, Devon
Investment advisors:	Rathbones, Exeter, Devon
Commercial surveyors:	Stratton Creber, Exeter Devon
	Avison Young, Cardiff
	Stags, Tiverton Devon
Property Surveyors:	Alder King, Exeter Devon
	Crofts, Taunton Somerset
	Assinder Turnham, Exeter Devon
Health & Safety Consultants	WT Consultancy, Cullompton Devon
HR & Employment	HR Dept, Taunton Somerset
IT	IT Champions, Exeter Devon

Structure of the Trustee's Board of Directors

The Board of Directors comprises an elected chairperson who is voted a year of office at the AGM held every May. The Board of Directors meets quarterly each year at the Trust's offices where possible and by video call. No business may be transacted at a board meeting unless four directors are present as a quorum.

In 2024, the Trust made the decision to disband the sub-committee structure due to the reduced number of Director numbers and so as to ensure that the governance structure is more efficient and effective.

A group of Directors will continue to meet in November to agree remuneration recommendations to the Board.

Following the incorporation, Directors approved a governance policy covering the way business is transacted within and in line with the Articles of Association. The governance policy was reviewed in April 2021.

Director Vacancies

The Articles allow for retirement by rotation meaning that at each AGM one-fifth of the elected directors retire from office. Retiring directors can re-apply for another term and will be asked to meet with delegated members of the Board, prior to the AGM, to discuss their application.

Vacancies for nominated Directors are filled in accordance with the ordinary practice of the Town Council. The Town Council submit two councillors as their representatives on the Trust's board, their term is for four years.

The approved policy for recruiting new Directors is to advertise widely and includes a skills audit of the board with provisions for appointment, declarations and managing conflicts of interest and loyalty.

Appointment and Training of staff

Members of staff are appointed in accordance within the approved recruitment policy. Remuneration of all staff is reviewed on an annual basis and increases are based upon a comparison with public sector and private sector pay settlements. When available more specific comparisons are made with other almshouse or housing charities of the same size and operation. A rolling programme of training is operated including fire procedures, cyber security, health and safety risk assessments, food hygiene, first-aid, working at height, safeguarding, lone-working, mental health awareness and data protection. The Almshouse Association provides the most relevant and practical forum for Directors and staff training.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2024

Applying the Charities Code of Governance 2020

The Corporate Trustee has considered, in detail, the best practice guidelines within the Code. There is an obligation upon charities to apply the Code or explain why they have not.

Some guidelines are not applied for good reason. Contracts with local sub-contractors undertaking small-scale routine maintenance work are kept as verbal contracts in the interest of speed, efficiency, and experience of comparative costs.

Regarding Director appointments, the Corporate Trustee reviewed the maximum length of Director appointments to ensure the Trust is following best practice guidance, being mindful of the balance between continuity and the need to ensure that the skills, experience, and knowledge amongst Directors are refreshed on an ongoing basis.

Applying the Value for Money Standard 2018

Tiverton Almshouse Trust is a registered social housing provider and, as such, publishes annual evidence within these statutory accounts to enable stakeholders to understand its performance as compared with the metrics set out by the regulator, compared to those in its peer group and addresses any areas of underperformance.

Tiverton Almshouse Trust is a member of the Acuity Benchmarking Group for small social housing providers and a second annual benchmarking report has recently been submitted. Improvements made in collecting and collating our data this year have increased the accuracy of the submitted figures.

The Trust scored very highly in terms of resident satisfaction and repairs performance. Management of voids, regarding costs and the time to turn these around, were at the lower end of the median but it was clear that there were some differences in how organisations accounted for this element of the process.

WMC collection and arrears were below the average and our spending per property is in line with similar costs across comparable organisations.

The Trust's repairs and maintenance costs are above average in some cases, as are overheads. But when considered as a proportion of our turnover, it returns the Trust to the median line.

Our Major and Cyclical works are high compared to other organisations in part due to the type of services which are considered. Cyclical is defined by different organisations; for example, the Trust has recorded the Tunstall emergency call system as cyclical.

The standard refers to activities across the board and includes activities relating to the Trust's investment properties where relevant.

There are seven metrics within the standard:

1. **Reinvestment** (the scale of investment into existing housing, acquisition or development of new housing in relation to the size of the asset base). This metric looks at the investment in properties as a percentage of the value of total properties held. The Trust did not acquire or develop any new housing in 2024 and currently operates 84 social housing units. The measure for the Trust in 2024 is 6.69% (2023: 7.69%). In both years the expenditure on existing properties has been a combination of programmed installation of windows, external painting, refurbishments of bathrooms to shower rooms and a rolling programme of repairs. The section on Maintenance of Almshouses contains further detail.
2. **New supply delivered** (units acquired or developed in the year as a proportion of existing housing stock). Given there were no additional units acquired the measure is zero (2023: zero).
3. **Gearing** (Proportion of borrowing in relation to the size of the asset base). The Trust's borrowing relates to a mortgage taken out in 2004 when the new development of 32 houses was built. The loan is valued at £492,391 at 31 December 2024 representing a gearing of 11.88% (2023: 12.57%). The board continues to review annually the financial benefits of paying off part of the mortgage that is unfixed versus the interest and return on investments.
4. **Earnings before interest, tax, depreciation and amortisation major repairs included** (Indicates liquidity and investment capacity). The EBITDA MRI interest cover seeks to measure the level of surplus that is generated compared to interest payable. The Trust's measure for 2024 is 35.70%. 2023: negative 1,037.19% (or 10.37 times).

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2024**

5. **Social housing cost per unit** The Trust's social housing cost per unit for 2024 was £3,522, (2023: £3,990) the applicable costs related to management, repairs and maintenance and service.
6. **A Operating Margin % (Social Housing Lettings Only)** demonstrates the profitability of operating assets before exceptional expenses are taken into account. In calculating this only operating costs directly attributable to social housing costs have been included, the margin for the Trust for 2024 was 25.29% (2023: 10.90%).
- B Operating Margin % (Overall)** as above however including all operating costs against social housing income and rents receivable from investment properties the margin for the Trust for 2024 was negative 5.00% (2023: negative 34.80%). The Trust's total expenditure (note 4) has decreased compared to 2023.
7. **Return on capital employed % (ROCE)** the metric compares the operating surplus to total assets less current liabilities, the Trust's ROCE for 2024 was negative 0.02% (2023: negative 3.99%).

Managing Risk

The Corporate Trustee undertakes a quarterly review of the potential risks to the Trust and aims to take a balanced and proportionate view. Professional advice is taken regularly where necessary.

Where decisions are taken to commit significant financial resources, the financial return is considered alongside the social investment return and the furtherance of the charitable objectives.

Nevertheless, the Corporate Trustee is acutely aware of the potential risks facing the Trust and a rigorous system of checks and balances is in place and reviewed regularly. A detailed risk register serves to prioritise governance, operations, compliance and external factors that pose the greatest concern and a management plan is drawn up to reduce exposure. Greatest risks can be grouped according to residual risk priority and summarised as follows in order of concern:

- i. **Regulatory and Statutory**
 - a. Changes in government policy leading to reduced income, increased regulation and therefore increased expense and staff time.
 - b. Maximising the positive impact upon beneficiaries but ensuring this is within the parameters of the Charity's objects.
 - c. Governance matters that arise from a small staff team (such as dependence on key staff).
 - d. Recognising the potential for conflicting interests and loyalties given the directors within the corporate trustee are local lay people with numerous local connections and local businesses.
 - e. Reducing the possibility of unknown changes in legislation and regulation.
- ii. **Specific risk mitigation measures relevant to the Financial Statements:**
 - a. **Fraud:** Day-to-day administration procedures are undertaken to reduce the risk of fraud and certain functions (such as payroll) are outsourced. Internal financial reviews are undertaken as good practice using a Fraud Policy and Fraud Response Plan.
 - b. **Loss of Income (Property):** Measures are taken to minimise almshouse voids (see report above) by advertising and maintaining close working relationships with local organisations and the local authority. Commercial rent levels have remained static in recent years due to the uncertain economic climate preceded by a recession, but staff strive to ensure good working relationships with commercial tenants, keep the properties in good working order and keep close monitoring of rental payments to minimise the risk of arrears and to maintain continuity of tenants.
 - c. **Loss of Income (other assets):** An annual investment review is held every November and monitored quarterly at Board meetings.

An approved Investment Policy is reviewed every year. Discretionary power has been given to the Trust's brokers who manage the largest portfolio, other investment providers are managed funds or deposit accounts. The Corporate Trustee aims for a wide variety of deposit accounts balancing long term and short-term investments and, as far as reasonably possible, invests no more than the maximum cover provided by the Financial Services Compensation Scheme.
 - d. **Unforeseen Property Repair Costs:** Quinquennial surveys are commissioned, and the results incorporated into a rolling programme of maintenance within the budget forecast. Unforeseen works are therefore restricted to extraordinary events (such as flooding because of a leak) and usually covered by insurance. Routine maintenance is seen as a core activity.

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2024**

The Chief Executive is responsible for the day-to-day management of health and safety matters and Directors are aware of their statutory legal duties under legislation through regular Board meetings. Health and safety and fire risk assessments are carried out annually by WT Consultancy.

A comprehensive list of policies and procedures is reviewed on a one to three-year rolling programme or when legislation or best practice guidelines change, whichever is the soonest. Regular staff meetings ensure that new procedures are understood and implemented.

Fire drills are held annually at the Trust's two main sites and central office.

Residents are encouraged to ask questions and provide feedback verbally, or in writing or thorough suggestion boxes on site. The Chief Executive sends a report to all residents with the results from the residents' satisfaction survey. The Chief Executive holds a residents' drop-in each month on both of the large almshouse sites for residents to individually ask questions and give their feedback.

Staff meetings for all employees take place monthly with the management team also meeting on a weekly basis.

Directors and staff remain vigilant on matters of risk and continue to seek advice and updates from legal bodies, the Charity Commission, the Social Housing Regulator, and the Almshouse Association.

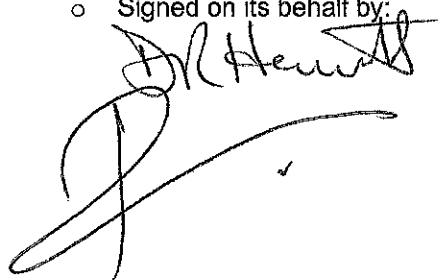
**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2024**

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

- The Corporate Trustee of the charity which held office at the date of approval of these Financial Statements as set out above, confirms, so far as it is aware, that:
 - there is no relevant audit information of which the charity's auditors are unaware; and
 - it has taken all the steps that it ought to have taken as Corporate Trustee in order to make itself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

- Approved at a meeting of the Corporate Trustee held on...06/05/2025

- Signed on its behalf by:



- Mrs Diana R Hewitt – Director (Chair)
- Mr Patrick R Dummett (Chief Executive)

**TIVERTON ALMSHOUSE TRUST
STATEMENT ON INTERNAL CONTROL SYSTEMS
YEAR ENDED 31 DECEMBER 2024**

The Corporate Trustee is responsible for maintaining a sound system of internal control which:

- focuses on the significant risks that threaten the organisation's ability to meet its objectives; and
- provides reasonable assurance of the safeguarding of assets.

The Corporate Trustee is also responsible for reviewing the effectiveness of the system of internal control.

The internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the charity is ongoing. This process has been in place for the year ended 31 December 2024 and up to the date of approval of the Corporate Trustee's report and financial statements and is regularly reviewed by the Corporate Trustee.

Experienced and suitably qualified management staff take responsibility for important business functions. Appraisal procedures have been established to maintain the standards of performance.

All significant new initiatives, major investments and investment projects are subject to formal authorisation procedures, through the Finance and Property Committee and/or the Board.

The Property and Finance Committee reviews reports from senior staff on behalf of the Board and from the external accountants and separate auditors to provide assurance that control procedures are in place and are being followed. The Property and Finance Committee informs the Board in this regard on a regular basis.

Procedures have been established for instituting appropriate action to correct weaknesses identified from the above report.

TIVERTON ALMSHOUSE TRUST CORPORATE TRUSTEES'
RESPONSIBILITIES STATEMENT
YEAR ENDED 31 DECEMBER 2024

The Charities Act 2011 and registered social housing legislation require the Corporate Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its income and expenditure for that period.

In preparing these financial statements, the Corporate Trustee is required to:

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

The Corporate Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022. The Corporate Trustee has general responsibility for taking reasonable steps to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT
TO THE CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST**

Opinion

We have audited the financial statements of Tiverton Almshouse Trust for the year ended 31 December 2024 which comprise the Statement of comprehensive income (including income and expenditure account), Statement of financial position, Statement of changes in equity and reserves, Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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, including its income and expenditure, for the year then ended;
- and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022

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 director'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 year of at least twelve months from when the original financial statements were authorised for issue.

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

Other information

The Corporate Trustee is responsible for the other information. The other information comprises the information included in the report of the corporate trustee, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST (CONTINUED)**

Opinion on other matter prescribed by the Charities Act 2011

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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 requires us to report to you if, in our opinion:

- the information given in the Corporate Trustee's report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of Corporate Trustee

As explained more fully in the Corporate Trustee's Responsibilities Statement (set out on page 16), the Corporate Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporate Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Corporate 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 Corporate Trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Based on our understanding of the Trust and nature of the business, we identified the principal risks of non-compliance with laws and regulations as being those which have a direct impact on the preparation of the financial statements, such as The Charities Act 2006, and relevant tax legislation (VAT etc.), as well as legislation governing responsibilities as a social housing landlord. We considered the extent to which non-compliance with these laws and regulations may have a material effect on the financial statements.

**INDEPENDENT AUDITOR'S REPORT
TO THE CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST (CONTINUED)**

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Based on this understanding we designed our audit procedures to identify irregularities. Our procedures involved the following:

- Enquiries of those charged with governance, regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements.
- Review of minutes of meetings of those charged with governance.
- Evaluation of the effectiveness of management's controls designed to prevent and detect irregularities including those applicable to social housing landlords.
- Challenging assumptions and judgements made by management in its significant accounting estimates.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate omissions, collusion, forgery, misrepresentations, or the override of internal controls. We are also less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements.

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

Use of our report

This report is made solely to the Charity's corporate trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Charity's corporate trustee those matters we are required to state to the corporate trustee 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's Corporate Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Francis Clark

PKF Francis Clark, Statutory Auditor

Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

Date: *6 May 2025*

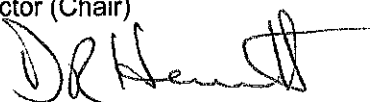
PKF Francis Clark is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

TIVERTON ALMSHOUSE TRUST
STATEMENT OF COMPREHENSIVE INCOME (INCLUDING
INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED
31 DECEMBER 2024

	Note	2024 £	2023 £
Turnover	2	887,414	818,327
Less: Operating costs	4	<u>916,755</u>	<u>1,107,788</u>
Operating deficit	5	(29,341)	(289,461)
Income from fixed asset investments		36,863	31,682
Interest receivable and similar income	9	13,883	15,135
Interest payable and similar charges	10	(23,639)	(23,701)
Unrealised/realised gains and losses on investments	12	226,163	273,699
Profit/(loss) on disposal of investment properties		-	(190,000)
Revaluation of properties		<u>70,000</u>	<u>112,500</u>
Surplus on ordinary activities for the year before tax		<u>293,929</u>	<u>(70,146)</u>
Tax on surplus on ordinary activities		<u>-</u>	<u>-</u>
Surplus / (deficit) for the year after tax		293,929	(70,146)
Total comprehensive income for the year		<u><u>293,929</u></u>	<u><u>(70,146)</u></u>

Signed on behalf of the corporate trustee on...06/05/2025

Mrs Diana R Hewitt – Director (Chair)



The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF FINANCIAL POSITION YEAR ENDED
31 DECEMBER 2024

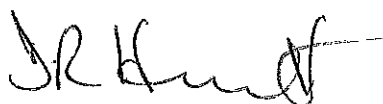
		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Tangible fixed assets	11		4,144,378		4,144,378
Investment properties	11		2,589,176		2,519,176
Other fixed assets	11		425,305		426,577
Investments	12		4,012,280		3,775,269
			<u>11,171,139</u>		<u>10,865,400</u>
Current assets					
Debtors	13	41,951		42,802	
Cash at bank and in hand		597,389		632,043	
		<u>639,340</u>		<u>674,845</u>	
Creditors: amounts falling due within one year	14	106,297		99,971	
		<u></u>		<u></u>	
Net current assets			533,043		574,874
Total assets less current liabilities			11,704,182		11,440,274
Creditors: amounts falling due after more than one year	15		463,492		493,513
			<u>11,240,690</u>		<u>10,946,761</u>
Capital and reserves					
Permanent endowment	18		8,948,953		8,744,381
Expendable endowment	18		936,524		933,480
Income and Expenditure reserves	17		1,355,213		1,268,900
			<u>11,240,690</u>		<u>10,946,761</u>

These financial statements were approved and authorised for issue by the corporate trustee on

06/05/2025

and signed on its behalf by:

Mrs Diana R Hewitt - Director



The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF CHANGES IN EQUITY AND RESERVES
YEAR ENDED 31 DECEMBER 2024

	Permanent Endowment £	Expendable Endowment £	Other Reserves £	Total £	2023 £
At 31 December 2023	8,744,381	933,480	1,268,900	10,946,761	11,016,907
Deficit for year before gains and losses from investments	-	-	(2,234)	(2,234)	(266,345)
Unrealised/realised gains and losses on investments	134,572	3,044	88,547	226,163	273,699
Revaluation of tangible fixed assets	70,000	-	-	70,000	112,500
Profit/loss on disposal of investment properties	-	-	-	-	(190,000)
Total comprehensive income	204,572	3,044	86,313	293,929	(70,146)
Transfers	-	-	-	-	-
At 31 December 2024	8,948,953	936,524	1,355,213	11,240,690	10,946,761

The annexed notes form part of these financial statements.

**TIVERTON ALMSHOUSE TRUST
STATEMENT OF CASHFLOWS
YEAR ENDED 31 DECEMBER 2024**

	Note	2024 £	2023 £
Net cash flow from operating activities	23	(22,112)	(339,638)
Cash flow from investing activities			
Payments to acquire tangible fixed assets		-	(825)
Receipts from sale of fixed assets		-	260,000
Proceeds from investments		681,566	61,210
Purchase of investments		(697,070)	(108,204)
Interest received		13,763	15,005
Dividends received		36,863	31,682
Net cash flow from investing activities		35,122	258,868
Cash flow from financing activities			
Repayment of long-term loans		(52,321)	(51,544)
Net cash flow from financing activities		(52,321)	(51,544)
Net increase / (decrease) in cash and cash equivalents		(39,311)	(132,314)
Cash and cash equivalents as at 1 January 2024		651,813	784,127
Cash and cash equivalents as at 31 December 2024		612,502	651,813
Cash and cash equivalents consist of:			
Cash at bank and in hand		597,389	632,043
Cash held as part of investment portfolio		15,113	19,770
		612,502	651,813

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General information and basis of preparation

Tiverton Almshouse Trust is incorporated under the Charities Act 2011 and is a Registered Provider of Social Housing in the United Kingdom.

Tiverton Almshouse Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2022, and the Charities Act 2011.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements are prepared in sterling, which is the functional currency of Tiverton Almshouse Trust and rounded to the nearest £.

The registered office is disclosed in the Report of the Corporate Trustee.

Housing properties

Housing properties are principally properties available to beneficiaries of the trust in return for weekly maintenance contributions.

Housing properties are included at deemed cost and are reviewed for impairment at the end of each reporting period.

Investment Properties

Investment properties are principally properties available to tenants of the trust in return for a commercial rent.

Investment properties are included at valuation, representing fair value and at each reporting date any changes in fair value are recognised in the statement of comprehensive income. Professional valuations are undertaken on a 5-year rolling cycle.

Investment properties are reviewed for impairment at the end of each reporting period.

Fixed assets and Depreciation

Other fixed assets are stated at cost, less accumulated depreciation. Depreciation is charged on a straight-line basis at rates anticipated to write off the cost of the asset, at the following annual rates:

Housing & freehold properties	Nil
Computer equipment	33.33% straight line

There is no depreciation charged this year against housing properties or freehold property as the corporate trustee believes the residual values are not lower than the current carrying value in the balance sheet. This opinion is based on the valuation of The Sles in January 2025. It is the corporate trustee's opinion that the local housing market remained static over the 2024 year, and they will be reviewing this throughout the 2025 financial year.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently they are measured at fair value through the statement of comprehensive income.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2024

Debtors and creditors receivable/payable within one year

Debtors and creditors payable within one year are recorded at transaction price.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs and then subsequently adjusted for principal repayments and interest charged.

Revaluation surpluses and deficits

Where market value is not readily available, the corporate trustee estimates market value. Revaluations of investments are reported in the Statement of Comprehensive Income.

Leased Assets

Rentals payable under operating leases are charged to the income and expenditure account on a straight-line basis over the period of the lease.

Government grants

A social housing grant was received back in 2004 as a contribution towards the capital cost. The grant was previously deducted from the cost of the housing properties. However, as the housing properties are accounted for using the valuation model, grants should now be accounted for using the performance model which means that grants are recognised as income once the performance conditions have been met. This change has not altered the overall value of reserves.

Current Taxation

No taxation is payable by the charity, since it has charitable status and its activities are exempt from tax.

Value Added Tax

Irrecoverable VAT which can be attributed to capital items or revenue expenditure is added to the cost of the capital item or expenses where practicable and material.

Pension Costs

The charity operates a defined contribution scheme for the benefit of its employees. The costs of contributions are written off through the income and expenditure account in the year they are payable.

Dilapidations

Monies receivable in respect of dilapidations are generally not accounted for until they can be determined with reasonable accuracy.

Turnover

Turnover is measured at the fair value of the consideration received or receivable.

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from almshouse voids.

Interest and dividends receivable

Interest and dividend income is recognised as Tiverton Almshouse Trust's right to receive payment is established.

Key judgements and estimates

The following judgements and estimates have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

The corporate trustee has established a five-year cycle for investment properties to be valued by an external RICS qualified surveyor. In the intervening years the remaining properties are valued by the corporate trustee having regard to all risks, the yield, the strength of the market and comparison with similar properties.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2024

2. TURNOVER

	2024	2023
	£	£
Rents receivable excluding service charges	521,069	478,760
Service charges receivable	122,218	112,700
Rent and service charge losses from voids	(5,899)	(6,042)
Guest room income	2,565	3,270
Social Housing Turnover	639,953	588,688
Investment property income	247,461	229,639
	<u>887,414</u>	<u>818,327</u>

3. UNITS IN MANAGEMENT

	2024	2023
Social housing for older people	85	84
Warden accommodation	1	2
	<u>86</u>	<u>86</u>

4. OPERATING COSTS

	Support Costs £	Social Housing £	Investment Properties £	Total 2024 £	Total 2023 £
Estate management costs:					
Wages and salaries	-	55,514	21,553	77,067	75,898
Estate costs					
Repairs and maintenance	-	277,088	52,226	329,314	479,282
Professional fees	-	24,044	39,844	63,888	99,049
Utilities	-	89,909	9,946	99,855	109,741
Insurance	-	12,832	11,760	24,592	29,659
Sundry expenses	-	5,620	4,127	9,747	10,207
Waste	-	7,661	-	7,661	7,063
Cleaning	-	5,441	4,045	9,486	7,863
Administrative costs					
Wages and salaries	223,832	-	-	223,832	219,306
Staff costs	150	-	-	150	696
Office running costs	31,921	-	-	31,921	33,851
Audit services	8,200	-	-	8,200	8,400
Accountancy services	10,721	-	-	10,721	9,605
COVID19 expenses	-	-	-	-	100
PI insurance	578	-	-	578	578
Subscriptions	3,476	-	-	3,476	3,509
Bank charges	1,042	-	-	1,042	934
Depreciation	1,272	-	-	1,272	2,267
Bad debt	3,317	-	-	3,317	-
Investment mgm't fees	10,636	-	-	10,636	9,780
	<u>295,145</u>	<u>478,109</u>	<u>143,501</u>	<u>916,755</u>	<u>1,107,788</u>
Apportionment	<u>(295,145)</u>	<u>158,636</u>	<u>136,509</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>636,745</u>	<u>280,010</u>	<u>916,755</u>	<u>1,107,788</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2024

5. OPERATING DEFICIT

	2024	2023
	£	£
Operating deficit is stated after charging:		
Operating leases - other assets	<u>2,017</u>	<u>1,524</u>

6. AUDITORS' REMUNERATION

	2024	2023
	£	£
Audit services	8,200	8,400
	<u>8,200</u>	<u>8,400</u>

7. BOARD OF DIRECTORS OF THE CORPORATE TRUSTEE AND KEY MANAGEMENT PERSONNEL REMUNERATION

	2024	2023
	£	£
The aggregate emoluments payable to key management personnel excluding employer pension contributions	74,866	72,358

The Board of Directors of the corporate trustee received no expenses or remuneration in the year.

8. EMPLOYEE INFORMATION

	2024	2023
The average number of persons employed during the year expressed in full time equivalents (16 hours or more per week) was:		
Office staff	6	5
Wardens, cleaners and handyman	<u>4</u>	<u>4</u>
	<u>10</u>	<u>9</u>
	£	£
Staff costs (for the above persons)		
Wages and salaries	261,042	256,475
Employer's National Insurance Contributions	25,857	24,381
Other pension costs	<u>14,000</u>	<u>14,348</u>
	<u>300,899</u>	<u>295,204</u>

During the year one employee earned more than £60,000. No employee earned more than £60,000 in 2023.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2024

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2024 £	2023 £
Interest received	13,763	15,005
Miscellaneous income	120	130
	<u>13,883</u>	<u>15,135</u>

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2024 £	2023 £
Mortgage interest	23,639	23,701
	<u>23,639</u>	<u>23,701</u>

11. TANGIBLE FIXED ASSETS

	Housing Properties £	Investment Properties £	Freehold Property £	Computer Equipment £	Total £
COST OR VALUATION					
At 1 January 2024	4,144,378	2,519,176	425,000	19,016	7,107,570
Additions	-	-	-	-	-
Revaluation	-	70,000	-	-	70,000
At 31 December 2024	<u>4,144,378</u>	<u>2,589,176</u>	<u>425,000</u>	<u>19,016</u>	<u>7,177,570</u>
DEPRECIATION					
At 1 January 2024	-	-	-	17,439	17,439
Charge for year	-	-	-	1,272	1,272
At 31 December 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,711</u>	<u>18,711</u>
NET BOOK VALUE					
At 31 December 2024	<u>4,144,378</u>	<u>2,589,176</u>	<u>425,000</u>	<u>305</u>	<u>7,158,859</u>
At 31 December 2023	<u>4,144,378</u>	<u>2,519,176</u>	<u>425,000</u>	<u>1,577</u>	<u>7,090,131</u>

HOUSING PROPERTIES

Housing properties includes freehold land and buildings, which are included at deemed cost of £3,962,000 (historic cost: £4,210,895).

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2024

INVESTMENT PROPERTIES

The corporate trustee has established a five-year cycle for investment properties to be valued by an external RICS qualified surveyor.

The freehold interest in Raymond Penny House, Tiverton were valued at 24 January 2025 by an external valuer Matthew Wilcox MRICS of Stags Estate Agents. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards, SORP and FRS102.

For the 2024 year, all other investment properties held were valued by the corporate trustee on the basis of fair value as at 31 December 2024.

Valuation is represented by:	2024	2023
	£	£
Historical cost	296,927	296,927
Revaluation	2,292,249	2,222,249
	<u>2,589,176</u>	<u>2,519,176</u>
Revaluation:	2024	2023
	£	£
Balance as at 31 December 2023	2,222,249	2,559,749
Revaluation	70,000	112,500
Disposals	-	(450,000)
Balance as at 31 December 2024	<u>2,292,249</u>	<u>2,222,249</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2024

12. INVESTMENTS HELD AS FIXED ASSETS

(Financial assets measured at fair value through the surplus/ (deficit))

	2024 £	2023 £
MARKET VALUE OF LISTED INVESTMENTS		
At 31 December 2023	3,775,269	3,491,472
Additions	697,070	108,204
Disposal proceeds	(681,566)	(61,210)
Realised gains/(losses)	120,381	5,474
Unrealised gains/(losses)	105,782	268,225
At 31 December 2024	<u>4,016,936</u>	<u>3,812,165</u>
Cash held as part of investment portfolio (movement)	(4,656)	(36,896)
	<u>4,012,280</u>	<u>3,775,269</u>
Historical cost	<u>2,769,242</u>	<u>2,626,806</u>

13. DEBTORS – ALL RECEIVABLE WITHIN ONE YEAR

	2024 £	2023 £
Trade debtors		
Social housing rent arrears	3,599	613
Social housing utility arrears	-	1,085
Other	10,710	3,564
	<u>14,309</u>	<u>5,262</u>
Prepayments and accrued income	24,626	31,938
Other debtors	3,016	5,602
	<u>41,951</u>	<u>42,802</u>

14. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Mortgages	28,899	27,559
Trade creditors and rents paid in advance	21,720	22,433
Other creditors and accruals	55,678	49,979
	<u>106,297</u>	<u>99,971</u>

15. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024 £	2023 £
Mortgages	<u>463,492</u>	<u>493,513</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2024

16. MORTGAGES

(Financial liabilities measured at fair value through the surplus/ (deficit)).

Analysis of maturity of debt:	2024 £	2023 £
Less than one year or on demand	28,899	27,559
Between one and two years	30,238	28,827
Between two and five years	99,465	94,769
After five years	333,789	369,917
	<u>492,391</u>	<u>521,072</u>

The mortgages mature in July 2037.

Capital is repayable in monthly instalments, which commenced in August 2004. Interest for both loans is calculated based on SONIA and include an Adjustment Spread.

The mortgages are secured on certain freehold housing and investment properties.

17. INCOME AND EXPENDITURE RESERVES

	2023 £	Surplus for year £	Revaluation £	Transferred £	Utilised £	2024 £
Extraordinary repair fund	100,726	-	-	144,556	-	245,282
Cyclical maintenance fund	76,602	-	-	43,103	(39,851)	79,854
Routine works	57,251	-	-	292,026	(289,463)	59,814
Other	1,034,321	(2,234)	88,547	(479,685)	329,314	970,263
	<u>1,268,900</u>	<u>(2,234)</u>	<u>88,547</u>	<u>-</u>	<u>-</u>	<u>1,355,213</u>

Tiverton Almshouse Trust has established a regular programme of works.

Part of other reserves has been earmarked by the corporate trustee for a particular purpose. Such designations may be reversed by future Trustee decisions.

Expenditure is taken through the income and expenditure account. A transfer is then made as appropriate.

18. CAPITAL AND RESERVES

Permanent Endowment

These reserves represent the historic value of the housing and investment properties together with the current value of any other investments that were held at the date of the merger and cash deposited with Standard Life on behalf of Alexandra Lodge Trust as at the date of the merger.

Expendable Endowment

These reserves represent the current value of any investments purchased since the merger.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2024

19. LEASING COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2024 £	2023 £
Not later than one year	2,017	1,524
Total	<u>2,017</u>	<u>1,524</u>

20. PENSION COSTS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £14,000 (2023: £12,063).

21. RELATED PARTY TRANSACTIONS

As at the 31 December 2024 two directors of Tiverton Almshouse Trustee Limited were councillors / employees of related Local Authorities.

Any transactions with the Local Authorities were at arms-length on normal commercial terms and these individuals were not able to use their position to their commercial advantage.

22. CONTROL

The ultimate controlling party is the board of directors of Tiverton Almshouse Trustee Limited

23. RECONCILIATION OF OPERATING SURPLUS / (DEFICIT) TO CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Surplus / (deficit) for the year	293,929	(70,146)
Mortgage interest paid	23,639	23,701
Interest received	(13,763)	(15,005)
Dividends received	(36,863)	(31,682)
Depreciation/impairment of tangible fixed assets	1,272	2,267
Realised (gain) / loss on disposal of investments	(120,381)	(5,474)
(Profit)/loss on disposal of investment properties	-	190,000
Unrealised (gains) / loss on investments	(105,782)	(268,225)
Revaluation on investment properties	(70,000)	(112,500)
(Increase) / decrease in trade and other debtors	851	14,730
Increase / (decrease) in trade and other creditors	4,986	(67,304)
Net cash flow from operating activities	<u>(22,112)</u>	<u>(339,638)</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2024

24 ANALYSIS OF CHANGES IN NET DEBT

	2023	Cashflows	Non-cash changes	2024
	£	£	£	£
Long-term borrowings	493,513	-	(30,022)	463,491
Short-term borrowings	27,559	(28,681)	30,022	28,900
Total liabilities	521,072	(28,681)	-	492,391
Cash and cash equivalents	(651,813)	39,310	-	(612,503)
Total	(130,741)	10,629	-	(120,112)

TIVERTON ALMSHOUSE TRUST

England & Wales - Charity number 206984

Accounts

Registered Social Landlord number: A1070
Registered Charity number: 206984



**Report of the Trustees and Audited Financial Statements
For the Year Ended 31 December 2023
For
TIVERTON ALMSHOUSE TRUST**

TIVERTON ALMSHOUSE TRUST

Contents of the Financial Statements FOR THE YEAR ENDED 31 DECEMBER 2023

	Page
Report of the Corporate Trustee	1-13
Statement on internal control systems	14
Corporate Trustees' responsibilities statement	15
Independent Auditor's report	16-18
Statement of comprehensive income (including income and expenditure account)	19
Statement of financial position	20
Statement of changes in equity and reserves	21
Statement of cash flows	22
Notes to the financial statements	23-32

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2023

The Corporate Trustee presents this report with the financial statements of the charity for the year ended 31 December 2023.

INTRODUCTION

The Corporate Trustee is pleased to report that the agreed objectives central to the work of the Tiverton Almshouse Trust of maintaining and improving core charitable activities, planning for the future and delivering a healthy financial position have been satisfied.

Tiverton Almshouse Trust is regulated by the Charity Commission and the Regulator of Social Housing (formerly the Homes and Communities Agency).

This report includes references to the Financial Statements attached and aims to address the regulatory requirements of the Regulator of Social Housing three economic standards: Value for Money, Governance and Financial Viability and the Rent Standard, throughout, as part of the reporting structure.

Total Income in 2023 from charitable activities and other income was £865,144 (2022: £822,438). The total expenditure was £1,321,489 (2022: £1,037,512). The gain on investments was £273,699, which includes an unrealised gain of £268,225 and a realised gain of £5,474. In 2022 there was a deficit of £529,507. The deficit for the year 2023 was £70,146. This is due to important repair and maintenance works for the upkeep of the Trust's portfolio of properties, resulting in a higher than usual repair spend.

CODE OF GOVERNANCE

The Charities Code of Governance 2020 has been adopted by the Board in line with Charity Commission guidance. Tiverton Almshouse Trust falls between the Code for smaller and larger charities (defined as turnover below and above £1m respectively). The Board aspires to meet the recommendations set out for larger charities whilst maintaining a level of proportionality. The Code is produced by the NCVO, ICASA, ACEVO, Association of Chairs and the Small Charities Coalition with the oversight of The Charity Commission

1. OBJECTIVES AND ACTIVITIES

The objects of the Tiverton Almshouse Trust in the Scheme made by the Charity Commission dated 10 September 2009 (as amended by the Scheme dated 28 July 2014) are:

- a. the provision of housing accommodation for poor persons not less than 60 years old who have lived in the area of benefit for not less than 2 years prior to the appointment.
- b. such charitable purposes for the benefit of the residents as the Corporate Trustee decides
- c. the relief of persons resident in the area of benefit who are in financial hardship by:
 - i. making grants of money to them; or
 - ii. providing or paying for goods, services or facilities for them; or
 - iii. making grants to other organisations or institutions which provide goods, services or facilities for those in financial hardship.

The use of income and capital must firstly be applied to meet the proper costs of administering the charity and managing its assets (including repair and insurance of its buildings) and to make annual payments into the reserve funds considered necessary in the annual budget.

The remaining income to further the objects of the charity are made in the following order of priority:

- a. the benefit of the residents
- b. the relief of financial hardship of persons living in the area of benefit (which is Tiverton and environs).

The greatest activity within the Trust is the maintenance of its properties. In addition to almshouse accommodation, the Trust also owns investment property in Tiverton.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2023

The Board considers that the objects are still relevant to the work of the charity. The popularity of the almshouse accommodation, the low level of voids and the financial security of the organisation means that it achieves, and can sustain, its objectives.

Plans for the future address how those objectives can be taken forward to enable beneficiaries to continue to benefit from the Trust's charitable activities given the growing population of elderly and frail people.

Public Benefit

In carrying out the Trust's aims and objectives and in measuring achievements and performance, the Corporate Trustee has had regard to the Charity Commission's guidance dated February 2014 entitled "Public Benefit: rules for charities". Given that the Trust's objective is the relief of poverty (see objects above) only the benefit aspect of "public benefit" requires satisfying. The Commission specifies that the purpose of the charity must be beneficial in a way that is identifiable and capable of being proved by evidence where necessary and not based on personal views. The most quantifiable measure to identify whether the charity has a benefit to the local population eligible for accommodation is the low level of voids within the almshouses.

Tiverton Almshouse Trust almshouse properties are usually fully occupied with no voids (a void is defined as an empty flat awaiting allocation with no further redecorating or refurbishment required before it is occupied). The National Almshouse Association considers a 5% minimum void rate is acceptable and a void allowance of up to 12.5% may be suitable for small groups of almshouses, given the specific beneficiary group they serve. That would indicate that 4 to 9 of the Trust's properties could be void at any one time. The Trust had a voids rate of 1% throughout the year in 2023, under the above definition.

In line with the Trust's governing scheme 2009, the charity provides housing for local people over 60 years old and in financial need. Through regular advertising, open days, contact with Mid Devon District Council, and local voluntary agencies and local charities such as the Churches Housing Action Trust (CHAT), the Trust reaches a wide audience. The Trust has a list of eligible applicants waiting for accommodation and they are from a wide variety of backgrounds indicating that the Trust is reaching its beneficiary group. Nevertheless, the Corporate Trustee strives to raise the profile of the Trust within the town still further and the Strategic Plan has specific targets for ensuring wider awareness. The rigorous application of a points system ensures each applicant meets the required criteria, and this enables each applicant to be prioritised primarily based on financial, housing and social need. The applicant in greatest need at the time a vacancy arises is offered the accommodation regardless of how long they have been known on the list.

During 2023, ten vacancies arose (fifteen in 2022 and nine in 2021). The Trust was able to carry out significant refurbishment, including replacing kitchens and bathrooms with these larger projects taking on average six weeks to complete. The Trust was able to secure new residents immediately as it maintains a detailed list of eligible local people in need who had been previously interviewed so that they could be offered any vacant almshouses as soon as they were available. In some cases, in flats where minimal work was needed, the turnaround time was 4 weeks.

Properties

In total there are 84 almshouses, one unit at each of the two main sites was occupied by a resident Warden in 2023. The almshouses are on three geographically separate sites within Tiverton, namely:

- (i) Greenway Gardens, King Street (40 units)
- (ii) Sles, Angel Terrace (3 units)
- (iii) John Greenway Close, Gold Street (41 units)

The accommodation is designed for independent living. As residents get older the Trust continues to support them for as long as possible and some residents receive third party care packages, social/community services assistance and support from the mental health team as required.

Tiverton Almshouse Trust owns the freehold of several commercial properties in the centre of Tiverton comprising retail shops and residential flats as well as two office buildings known as Raymond Penny House and John Greenway Building in the centre of town. The Trust also owns two terraced houses in Westex, Tiverton.

Going Concern

After a detailed review and examining major areas which could give rise to significant financial risk, the directors are satisfied that no material exposures exist other than as reflected in these Financial Statements and the Trust has adequate resources to continue its operations for the foreseeable future.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2023

The Directors and management team review bi-monthly budgets with the external accountant, which include a minimum forecast 12-month period as well as a programme of works for 5 years. Cash liquidity is monitored through updated summaries of cash and investments which the board reviews in detail at the Finance and Property committee meetings and at the board meeting, quarterly. Throughout 2023 the Trust received independent pro-bono financial advice from Andrew Mayne from Stafford House Investments. Andrew previously supported the production of an annual report for 2022 which reviewed all investments in terms of risk. Tiverton Almshouse Trust is not dependent on investment income however, investments will be affected by market performance.

The Trust receives a steady income from commercial rents and weekly maintenance contributions from our almshouse residents, which meets our annual running costs. Large one-off projects regarding property development and/or significant repairs are reviewed against cash liquidity and available funds, which do not form part of the Trust's permanent endowed fund. Five-year quinquennial inspections have previously been carried out by Assinder Turnham & Co Ltd on all properties on a rolling programme, so the Trust can plan for large expenditure required over coming years and factor into our budget if affordable. In 2023, an inspection of our two properties in Westex South and the Market House in Bampton Street was carried out by Stratton Creber.

The Board and management team review our reserves and investment policies annually. We review our detailed risk register regularly, assessing potential financial risk areas including inflation, interest rate rises and any impacts these would have on the Trust. The Trust applies stress tests to potential risk scenarios related to our almshouse and commercial income and expenditure and how this may affect our budgets and strategic objectives.

2. **ACHIEVEMENTS AND PERFORMANCE**

Maintaining Properties

The Charity Commission Scheme clearly states that the main object of the charity is to provide almshouses for a specified group of local people. Income and capital must first be used to meet the proper costs of administering the charity and repairing, maintaining and insuring the buildings.

Total expenditure increased by £283,977 to £1,321,489 in 2023. The major factors that influenced this increase was the steep rise in repair costs post the COVID pandemic which totalled £162,648 compared to 2022 plus the loss on disposal of an investment property of £190,000. Note 4 to the Financial Statements provides a comparison and more detail is provided below.

In 2023, and in line with the quinquennial surveys, the Trust undertook a budgeted programme of works and cyclical maintenance. All significant contracts for programmed works and significant repair works were put out to tender. The specification and contract administration (including tender administration and reporting) were undertaken by Assinder Turnham & Co Ltd. Minor routine maintenance was undertaken either by the Trust's Maintenance Officer or by approved sub-contractors. Quotes are not required for work anticipated to be less than £3,000 to avoid inefficiency and wasted staff and sub-contractor time. Sub-contractors are required to breakdown labour and parts entries on invoices and provide discounts for regular work are often agreed. All invoices are reviewed three times before payment; by the Office Manager, the Chief Executive and finally a Director before being approved for payment. At the end of the year, all almshouse, residential and commercial properties were fully let.

Maintenance of Almshouse Properties

Of the £1,321,489 total operating costs and interest payable in 2023 for all properties (investment properties and almshouses combined) £318,663 was spent on almshouse maintenance by way of programmed works, chapel upkeep and renovation, replacement bathrooms and kitchens, external redecoration and where necessary, redecoration and refurbishment of the 10 flats that became vacant.

Increased regulation means increased routine checks, which continue to incur additional financial cost and staff time. The two most costly regulatory functions relate to legionella prevention and fire safety. The monthly, six-monthly, and annual checks for monitoring water hygiene systems to reduce the risk of legionella cost £7,564 in 2023 (2022: £6,616).

In 2023, the cost for the routine checking of fire detection systems was £2,480 (2022 £5,785). These checks are carried out by staff and specialist providers to ensure the Trust fulfils its legal obligations. The requirement to meet more robust guidance and regulations in buildings of differing ages and styles means the Trust is reliant on specialist contractors to carry out some of the works. Quotes are invited for these works and annual contracts are then awarded.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2023

Residents' Satisfaction Survey

The Trust is committed to improving services and to reviewing what are the most prominent issues and priorities for our residents by gathering their valuable feedback. The Trust conducts an annual residents' satisfaction survey. A summary of the previously published 2022 results are below.

The Chief Executive presented a revised, more robust set of Residents Survey questions to the Residents Services and Wellbeing Committee. In March 2024 these were unanimously agreed and adopted and will be used in the next survey to be run in June 2024.

Residents Satisfaction Survey	2022
Satisfaction with overall service	100%
Satisfaction with the overall quality of your home	100%
Satisfaction of feeling safe living in your almshouse	100%
Satisfaction that your weekly maintenance contribution provides value for money	97%
Satisfaction that your utility contribution charge provides value for money	97%
Satisfaction with repairs and maintenance	100%
Satisfaction that Tiverton Almshouse Trust listen to your views and acts upon them	95%

The Trust is a member of the benchmarking group Acuity to compare the annual costs of running the almshouse properties with similar almshouse charities and small housing associations across the country. Our level of residents' satisfaction scores will be able to be more robustly compared with other organisations when we have had the opportunity to run the revised survey questions. In 2023 the Trust sits just below the median for spend on reactive repairs and above for cyclical and major repairs.

Investment Property Maintenance

Expenditure on day-to-day maintenance on the Trust's Investment properties was significantly less than on almshouse properties, which is to be expected given the tenancy agreements on the former which oblige commercial tenants to keep properties in good and tenable repair. In 2023 the routine and cyclical maintenance expenditure for the Trust on these properties was £51,535 (2022: £22,105), primarily consisting of servicing and general repairs.

Provision of Almshouse Accommodation

Tiverton Almshouse Trust is a social housing provider registered with and regulated by the Regulator of Social Housing. The Trust is also a registered charity with the Charity Commission. The main purpose of the organisation is to provide housing to local people over 60 years of age and in financial need. Applications are encouraged from anyone who believes they fulfil the basic three criteria and are scrutinised in line with an internally approved policy which is regularly reviewed to ensure consistency and relevance.

In 2023 both main sites had a resident Warden. The third site, known as Slees, is a historic building in the town centre comprising three flats. Residents at Slees are not visited regularly by a resident Warden but the Housing Manager will visit as necessary. This is because, in general, residents at Slees need to be more independent and mobile due to the restrictive historical layout.

The Warden's remit is to ensure the daily well-being of all residents and although they are not medically trained and do not provide personal care, they can assist residents in day-to-day living. Their role can be described as "being a good neighbour". There is a 24-hour emergency call system (Tunstall) within the Greenway Gardens and John Greenway Close sites, enabling residents to access emergency help at all times of the day and night. The Wardens maintain regular contact with family members when necessary or when a resident is unwell. Wardens also provide a variety of optional social activities, held in the community rooms at each of the two main sites.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2023

There are four meetings a year attended by appointed Directors of the Residents Services and Well-being Committee, the Housing Manager and Chief Executive Officer to discuss resident issues and management of the sites. Directors on this committee review the waiting list for vacant almshouses and are updated on informal chats with potential new applicants to determine eligibility for almshouse accommodation.

In 2023, residents paid a Weekly Maintenance Contribution (WMC) for their accommodation and a contribution to water supply and gas (Utility Contribution). Weekly Maintenance Contributions varied from £94.04 per week to £126.63 per week depending on the accommodation that is provided. In addition, all residents paid a £26.73 Utility Contribution based on single occupancy and £33.42 per week based on double occupancy.

The Corporate Trustee aims to keep resident contributions as low as possible considering the rent standard provided by the Regulator of Social Housing (RSH) and equivalent fair rent assessments from the Valuation Office Agency (VOA). The latest VOA assessment was undertaken in 2023. In addition, the Chief Executive consults with Mid Devon District Council on any WMC increase to ensure that those residents who require assistance can access 100% of the rent payment through housing benefit if eligible.

The Corporate Trustee strives to ensure a fair, consistent and transparent process when allocating Almshouse accommodation. There is an approved policy within the Trust to promote its services via the Trust's website and to maintain regular contact with local support organisations such as the Churches Housing Action Trust (CHAT) as well as Devon Home Choice (the bidding portal for local authority housing and housing associations). Promotional material is located in Mid Devon District Council's reception. All applicants complete a detailed application form, including a financial information section and are interviewed by the Housing Manager and CEO. A points system is in use to ensure consistency. Those applicants placed on the list awaiting allocation are regularly reviewed and applicants are encouraged to keep in touch with the Housing Manager.

A good working relationship with Mid Devon District Council and local housing charities ensures a wide-ranging local awareness of the almshouses which includes articles in the local paper and an active use of social media. Innovative ways to widen the search for applicants are always considered. Once an applicant is accepted in principle, a priority weighting system ensures the applicant in greatest need is offered any vacancy first, in accordance with our governing scheme.

The continuing lack of residential care homes within the town and surrounding area means that our residents are staying in their homes longer than in previous times. Social care support is now provided at home and hospital admissions are generally reserved for emergencies, which means that care agencies and health professionals are frequently on site and we work together in partnership for the benefit of the residents.

Alexandra Lodge

Planning permission was granted in 2015 to Abbeyfield, formally The Abbeyfield Society, for a 45-bed extra-care unit at Alexandra Lodge. The freehold of the property is owned by Tiverton Almshouse Trust and following planning permission, a 250-year lease was signed to Abbeyfield. Progress has been slow and the site is now in a state of severe disrepair in the main due to the lack of action of Abbeyfield in the re-development of the site. Abbeyfield has declared that they no longer see the development as a viable proposition. Tiverton Almshouse Trust is in communication with Abbeyfield to best understand future options that ensure the site is able at some point in the future to be developed by another organisation, ultimately to benefit the people of Tiverton.

Relief of Financial Hardship

The additional objectives of the charity allow for the relief of poverty for local people who are in financial hardship by making grants of money to them or making grants to other organisations or institutions with similar aims. The amount of money donated to achieve this objective is considered by the Corporate Trustee at the AGM each year and the donation may be approved to a local organisation with similar aims. No donations were made in 2023.

3. FINANCIAL REVIEW

The Corporate Trustee reviews its reserves and the non-designated funds and expendable endowment to be used for "the proper costs of administering the charity and of managing its assets" (Charity Commission Scheme September 2009). A Reserves Policy addresses the Expendable Endowment and designates funds to the actions approved in the strategic plan. There are regular reviews of operational risks and requirements and sufficient reserves are maintained to address these requirements.

As stated in the Investment policy, the objective of the Corporate Trustee in holding investments within a share portfolio is to produce the best financial return and capital growth within an acceptable risk and to balance the

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2023**

income and capital return.

The four risks identified in the report last year still stand, namely:

- i. Capital growth not keeping up with inflation thereby leading to a decline in the real value of the investment
- ii. Fluctuating income from share portfolios and deposit accounts due to the wider economic environment
- iii. Bank default
- iv. The unknown effect of the current financial economic situation

To limit the above risks, the Board has delegated certain decisions to the Finance and Property Committee (which consists of over half of the Board's number) including allowing those members to re-invest maturing funds subject to the current Financial Services Compensation Scheme Limit. This allows decisions to take advantage of available investment offers (especially fixed rate bonds open for a short time) by acting in a timely manner. All investments, apart from those held within share portfolios, are monitored at every committee meeting.

Shareholding portfolios are managed by professional brokers and/or fund managers and an annual review is undertaken at the November board meeting of the Corporate Trustee. An external investment review takes place annually.

The Corporate Trustee has considered ethical investments to ensure that investments are not made in companies with values not aligned to those of the Trust and has therefore put restrictions on investing in any fund that is linked to the production or sale of tobacco.

It also considered companies who seek to make people homeless, however, this is difficult to monitor and enforce. It was decided not to impose this ethical restriction. The Corporate Trustee accepts that the ethical values of individual directors must not compromise policy decisions.

The Statement of Comprehensive Income, and supporting note 2, shows that income received from almshouse residents' weekly contributions (including service charges) has increased by £30,289 (6.85%), primarily as a result of the annual review of charges in April. The Corporate Trustee is mindful of maximising income (for the charity's future sustainability) commensurate with fulfilling the Charity Scheme objective to ensure no resident suffers financial hardship.

Operating costs (note 4) show some changes from the previous year. Overall wage costs are up by £7,622 compared to 2022, the increase is as a result of cost-of-living wage increases and one-off performance related payments made to staff during the year.

The income from fixed asset investments (shareholdings and deposits) increased by £6,746 over the year despite the continued volatile market caused by the war in Ukraine. The portfolio of investments is valued in 2023 at £3,775,269 (2022: £3,491,472).

The annual total return on the managed portfolio is reflected in Note 12, with realised and unrealised gains of £273,699 (2022: £314,433 loss).

Rents receivable from investment properties have decreased marginally to £229,639, compared to the 2022 year (£233,130).

Professional valuations are undertaken on our commercial and residential investment properties, on a five-year rolling programme. This year, formal valuations were carried out on the Trust's two investment properties in Westex South and The Market House. Almshouse properties are included under the cost model and do not form part of the annual valuation cycle.

Permanent endowment (identified as investment properties, housing properties and other investments agreed as such by the Charity Commission as part of their investigations prior to the merger in 2009) has increased from £8,710,634 to £8,744,381, reflecting an upwards revaluation and unrealised gains on investments, less a disposal of a high reputational risk investment property.

Other Reserves of £1,268,900 shown in the Statement of Financial Position are identified in note 17 and split into:

1. The Extraordinary Repair Fund (ERF) funds the unforeseen expenditure necessary to carry out the Trust's objectives. It also includes Programmed Works, which are based on the five-year budget

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2023

forecast, the quinquennial surveys and condition surveys that are carried out for the Trust on a regular basis to ensure that there is a rolling programme of maintenance.

2. The Cyclical Maintenance (CMF) fund provides monies for work to maintain properties that is undertaken every so often on a regular, but not annual, basis, such as redecorating almshouses when a resident moves out.
3. Routine works include routine maintenance of the Trust's properties to ensure they remain safe, secure and fit for purpose.

The mortgage debt for the 2004 development of thirty-two new almshouses at John Greenway Close remains the single largest financial commitment. The financial statements show the annual interest payment for the year £23,701 and reduction in the value of the outstanding mortgage of from £548,915 (2022), to £521,072 in 2023.

The mortgage is held in two separate accounts, one fixed until 2032 and one variable allowing just over half of the sum owing to be paid off at any time should Directors deem it prudent to do so.

4. PLANS FOR THE FUTURE

A three-year strategic plan is in place for 2022-2025 with the following objectives:

- Maintain – to ensure residents are provided with good quality homes.
- Develop and collaborate – to develop more quality homes in Tiverton for older people in need, independently as a Trust or with potential partners.
- Profile – to raise the Trust's profile, ensuring there is an awareness of what we offer to benefit older people locally.
- Investment – to invest in the Trust's properties, staff, and technology to ensure the Trust is as efficient and sustainable as possible to secure its future.

5. CHARITY STRUCTURE, GOVERNANCE AND MANAGEMENT

Tiverton Almshouse Trust is regulated by The Charity Commission and the Regulator of Social Housing (formerly the HCA). Under the latter, it is classed as a Registered Provider of social housing. In 2014 a new Charity Commission Scheme changed the way the Trust was governed. Tiverton Almshouse Trust is a registered charity with the objects outlined above (see section 1). The 2014 Scheme gave permission for the charity to have one corporate trustee rather than twelve individual trustees and, as a result, a new company limited by guarantee known as Tiverton Almshouse Trustee Ltd was established to be that sole trustee.

Within the company (the Corporate Trustee) are the twelve voluntary directors (previously called Trustees). The Tiverton Almshouse Trust Scheme provides the Corporate Trustee with the same powers as before and the Articles of Association provide further provisions. The incorporated structure is more recognisable to banking and commercial sectors and provides directors with increased indemnity protection.

The Directors have a term of appointment of five years. Directors can be re-appointed and there is no maximum number of terms for re-appointment. Directors due for retirement on the rotation basis, are interviewed by the Recruitment and Remuneration Committee under an agreed procedure which remains the same for all Directors.

A set series questions probing the interviewee's commitment to the charity and its purpose, the time available for the necessary workload, the skills that can be brought to the Board and the individual's hopes and aspirations for the charity for the next five years are all discussed in depth and reported back to the Board at the AGM when re-appointments are decided. In this way the Board can retain committed and energetic Directors regardless of their length of term.

Prior to appointment and re-appointment Directors must sign the Charity Commission's Declaration of Eligibility to serve. At each meeting of the Board and committees, all potential, real and perceived conflicts of interest, loyalty and perception are declared, recorded and discussed. In the event of a conflict or likelihood of a conflict the Director in question is asked to leave the room at the appropriate time or refrains from voting on the matter in question.

At the end of 2023, the Board had eight Directors (out of a maximum of twelve permitted under its Articles of Association). The Board considers that it has a wide range of the necessary skills and attributes but will actively be seeking additional Directors in 2024. The internal audit of the Board takes place at the AGM in May.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2023

Directors

Name	Position	Date appointed/resigned	Skills and experience
Diana R Hewitt	Chair	Appointed 21 May 2021	Retired Director
John A Pulford	Director	Reappointed 14 May 2019	Retired Local Government Officer
Roger M Stickland	Director	Appointed 6 July 2021	Retired Director
Brian C Berry	Director	Appointed 26 July 2021	CEO Federation of Master Builders
Steve Esau	Director	Appointed 9 May 2023	Surveyor
Richard R Ives	Director	Appointed 20 November 2023	IT Consultant
Brenda Stanley	Director	Resigned 9 May 2023	Retired Businesswoman
Michael H C Biggin	Director	Resigned 9 May 2023	Retired Finance Manager
John N Rendle	Director	Resigned 19 August 2023	Businessperson

Nominated directors appointed by Tiverton Town Council:

Timothy Bridger	Director	Appointed 20 November 2023	Town Councillor
Leslie Cruwys	Director	Appointed 20 November 2023	Town Councillor
Wallace Burke	Director	Resigned 9 May 2023	Town Councillor
Claudette Harrower	Director	Resigned 9 May 2023	Town Councillor

Office of the Trust

The office of the Tiverton Almshouse Trust is: The Market House, 18 Bampton Street, Tiverton, Devon EX16 6AA.

Trust Staff

P Dummett	Chief Executive
N Anderson	Office Manager
N Askew	Housing Manager
L McDonald	Property Manager
L Murphy	Administrator
G Strong	Maintenance Officer
M Pike	Housekeeper/Cleaner

Wardens

L Brooks	Warden, John Greenway Close
E Kerrigan	Resident Warden, Greenway Gardens

Advisors to the Trust

Auditors:	PKF Francis Clark, Centenary House, Exeter, Devon
Accountants:	William Withers & Co., Quayside House, Tiverton, Devon
Bankers:	Unity Trust Bank, 9 Brindley Place, Birmingham
Solicitors:	Ashfords, Gotham House, Tiverton, Devon
Investment advisors:	Rathbones, Keble House, Southernhay Gardens Stafford House Investments, Aintree House, Taunton
Exeter Commercial surveyors:	Stratton Creber, 20 Southernhay West, Exeter
Property Surveyors:	Avison Young, One Kingsway, Cardiff Assinder Turnham, 6/7 Southernhay West, Exeter

Structure of the Trustee's Board of Directors

The Board of Directors comprises of an elected Chair who is voted a year of office at the AGM held every May. The Board of Directors meets quarterly each year at the Trust's offices where possible and by video call. No business may be transacted at a Board meeting unless four Directors are present as a quorum.

In addition, there are four committees:

1. Finance and Property which meets quarterly.
2. Residents' Services and Well-being which meets quarterly.
3. Audit and Risk which meets quarterly.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2023

4. Recruitment and Remuneration which meets in November to review Director vacancies prior to the AGM and to review staff salaries for the following year.

Following the incorporation, Directors approved a governance policy covering the way business is transacted within the committees and within the main board in line with the Articles of Association. The governance policy was reviewed in April 2021.

Director Vacancies

Vacancies for nominated Directors are filled by Tiverton Town Council held in accordance with the ordinary practice of the Town Council. They elect two councillors as their representatives on the Trust's Board and the term is for four years.

The Articles allow for retirement by rotation meaning that at each AGM one-fifth of the elected Directors retire from office. Retiring Directors can re-apply for another term and will be asked to meet with the Recruitment and Remuneration committee prior to the AGM to discuss their application (see above and below).

The approved policy for recruiting new Directors is to advertise following a skills audit of the board and includes provisions for appointment, declarations and managing conflicts of interest/loyalty.

Once appointed, the new Director is encouraged to visit all the almshouse sites (if they have not already done so) accompanied by the CEO or Housing Manager. In addition, the new Director is invited to sit as an observer on all committee meetings for a period of at least six months to enable them to become familiar with workings of the Trust and the day-to-day issues. After the six-month induction, the new Director is encouraged to participate within one or more committees when appointments are made at the AGM.

Appointment and Training of staff

Members of staff are appointed in accordance with the approved policy. Remuneration of all staff is reviewed on an annual basis and increases are based upon a comparison with public sector and private sector pay settlements. When available more specific comparisons are made with other almshouse or housing charities of the same size and operation. A rolling programme of training is operated including fire procedures, cyber security, health and safety risk assessments, food hygiene, first-aid, working at height, safeguarding, lone-working, mental health awareness and data protection. The Almshouse Association provides the most relevant and practical forum for Directors and staff training.

Applying the Charities Code of Governance 2020

The Corporate Trustee has considered, in detail, the best practice guidelines within the Code. There is an obligation upon charities to apply the Code or explain why they have not.

Some guidelines are not applied for good reason. Contracts with local sub-contractors undertaking small-scale routine maintenance work are kept as verbal contracts in the interest of speed, efficiency, and experience of comparative costs.

Regarding Director appointments, the Corporate Trustee has agreed that next year it will review the maximum length of Director appointments to ensure the Trust is following best practice guidance, being mindful of the balance between continuity and the need to ensure that the skills, experience, and knowledge amongst Directors are refreshed on an ongoing basis.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2023

Applying the Value for Money Standard 2018

Tiverton Almshouse Trust is a registered social provider and, as such, publishes annual evidence within these statutory accounts to enable stakeholders to understand its performance as compared with the metrics set out by the regulator, compared to those in our peer group and addresses any areas of underperformance.

Tiverton Almshouse Trust is a member of the Acuity Benchmarking Group for small social housing providers and a second annual benchmarking report has recently been submitted. Improvements we have made in collecting and collating our data this year have increased the accuracy of the submitted figures.

The Trust scored very highly in terms of resident satisfaction and repairs performance. Management of voids, regarding costs and the time to turn these around, were at the lower end of the median but it was clear that there were some differences in how organisations accounted for this element of the process.

WMC collection and arrears were below the average and our spending per property is in line with similar costs across comparable organisations.

The Trust's repairs and maintenance costs are above average in some cases, as are overheads. But when considered as a proportion of our turnover, it returns the Trust to the median line.

Our Major and Cyclical works are high compared to other organisations in part due to which type of services which are considered Cyclical by different organisations; the Trust has recorded the Tunstall emergency call system as cyclical, for example.

The standard refers to activities across the board and includes activities relating to the Trust's investment properties where relevant.

There are seven metrics within the standard:

1. **Reinvestment** (the scale of investment into existing housing, acquisition or development of new housing in relation to the size of the asset base). This metric looks at the investment in properties as a percentage of the value of total properties held. The Trust did not acquire or develop any new housing in 2023 and currently operates 84 social housing units. The measure for the Trust in 2023 is 7.69% (2022: 7.11%). In both years the expenditure on existing properties has been a combination of programmed installation of windows, external painting, refurbishments of bathrooms to shower rooms and a rolling programme of repairs. The section on Maintenance of Almshouses contains further detail.
2. **New supply delivered** (units acquired or developed in the year as a proportion of existing housing stock). Given there were no additional units acquired the measure is zero (2022: zero).
3. **Gearing** (Proportion of borrowing in relation to the size of the asset base). The Trust's borrowing relates to a mortgage taken out in 2004 when the new development of 32 houses was built. The loan is valued at £521,072 at 31 December 2023 representing a gearing of 12.57% (2022: 13.24%). The board continues to review annually the financial benefits of paying off part of the mortgage that is unfixed versus the interest and return on investments.
4. **Earnings before interest, tax, depreciation and amortisation major repairs included** (Indicates liquidity and investment capacity). The EBITDA MRI interest cover seeks to measure the level of surplus that is generated compared to interest payable. The Trust's measure for 2023 is negative 1,037.19% (or 10.37 times). 2022: 1,278.08% (or 12.78 times).
5. **Social housing cost per unit** The Trust's social housing cost per unit for 2023 was £3,990, (2022: £3,794) the applicable costs related to management, repairs and maintenance and service.
6. **A Operating Margin % (Social Housing Lettings Only)** demonstrates the profitability of operating assets before exceptional expenses are taken into account. In calculating this only operating costs directly attributable to social housing costs have been included, the margin for the Trust for 2023 was 10.90% (2022: 15.91%).

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2023

B Operating Margin % (Overall) as above however including all operating costs against social housing income and rents receivable from investment properties the margin for the Trust for 2023 was negative 34.80% (2022: negative 30.70%). The Trust's total expenditure (note 4) has increased compared to 2022.

7. Return on capital employed % (ROCE) the metric compares the operating surplus to total assets less current liabilities, the Trust's ROCE for 2023 was negative 2.33% (2022: negative 1.86%).

Managing Risk

The Corporate Trustee regularly reviews the potential risks to the Trust and aims to take a balanced and proportionate view. Professional advice is taken where necessary and regularly.

Where decisions are taken to commit significant financial resources, the financial return is considered along with the social investment return and the furtherance of the charitable objectives.

Nevertheless, the corporate trustee is acutely aware of the potential risks facing the Trust and a rigorous system of checks and balances is in place and reviewed regularly. A detailed risk register serves to prioritise governance, operational, compliance and external factors that pose the greatest concern and a management plan is enforced to reduce exposure. Greatest risks can be grouped according to residual risk priority and summarised as follows in order of concern:

- i. Regulatory and Statutory
 - a. Changes in government policy leading to reduced income, increased regulation and therefore increased expense and staff time.
 - b. Maximising the positive impact upon beneficiaries but ensuring this is within the parameters of the Charity's objects.
 - c. Governance matters that arise from a small staff team (such as dependence on key staff).
 - d. Recognising the potential for conflicting interests and loyalties given the directors within the corporate trustee are local lay people with numerous local connections and local businesses.
 - e. Reducing the possibility of unknown changes in legislation and regulation (sometimes originating in indirect departments).
- ii. Specific risk mitigation measures relevant to the Financial Statements:
 - a. Fraud: Day-to-day administration procedures are undertaken to reduce the risk of fraud and certain functions (such as payroll) are outsourced. Internal financial reviews are undertaken as good practice, also a Fraud Policy and Fraud Response Plan was implemented to the robust list of policies and procedures already in place.
 - b. Loss of Income (Property): Measures are taken to minimise almshouse voids (see report above) by advertising and maintaining close working relationships with local organisations and the local authority. Commercial rent levels have dropped in recent years due to the uncertain economic climate preceded by a recession, but staff strive to ensure good working relationships with commercial tenants, keep the properties in good working order and keep close monitoring of rental payments to minimise the risk of arrears and to maintain continuity of tenants.
 - c. Loss of Income (other assets): An annual investment review is held every November and monitored every two months by the Finance and Property Committee.
An approved Investment Policy is reviewed every year. Discretionary power has been given to the Trust's brokers who manage the largest portfolio, other investment providers are managed funds or deposit accounts. The Corporate Trustee aims for a wide variety of deposit accounts balancing long term and short-term investments and, as far as reasonably possible, invests no more than the maximum cover provided by the Financial Services Compensation Scheme.
 - d. Unforeseen Property Repair Costs: Quinquennial surveys are commissioned, and the results incorporated into a rolling programme of maintenance within the budget forecast. Unforeseen works are therefore restricted to extraordinary events (such as flooding because of a leak) and usually covered by insurance. Routine maintenance is seen as a core activity.

The Chief Executive is responsible for the day-to-day management of health and safety matters and Directors are aware of their statutory duties under legislation through regular committees. Health and safety risk assessments are carried out annually by the Property Manager. Fire risk assessments are also carried out annually by the Property Manager.

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2023**

A comprehensive list of policies and procedures is reviewed on a one - three-year rolling programme or because of changing legislation or best practice guideline, whichever is the soonest. Regular staff meetings ensure that new procedures are implemented.

A fire drill is held annually.

Residents are encouraged to ask questions and provide feedback verbally, or in writing or thorough suggestion boxes on site. The Chief Executive sends an annual report to all residents with the results from the residents' satisfaction survey. The Chief Executive holds a residents' drop-in each month on both of the large almshouse sites for residents to individually ask questions and give their feedback.

Staff meetings for office employees, including line managers take place weekly for the management team and bi-weekly for the full staff team.

Directors and staff remain vigilant on matters of risk and continue to seek advice and updates from legal bodies, the Charity Commission, the Social Housing Regulator, and the Almshouse Association.

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2023**

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

- The Corporate Trustee of the charity which held office at the date of approval of these Financial Statements as set out above, confirms, so far as it is aware, that:
 - there is no relevant audit information of which the charity's auditors are unaware; and
 - it has taken all the steps that it ought to have taken as Corporate Trustee in order to make itself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

- Approved at a meeting of the Corporate Trustee held on.....07 MAY 2024

- Signed on its behalf by:

- Mrs Diana R Hewitt – Director (Chair)
- Mr Patrick R Dummett (Chief Executive)

DR Hewitt

P
07.05.2024.

**TIVERTON ALMSHOUSE TRUST
STATEMENT ON INTERNAL CONTROL SYSTEMS
YEAR ENDED 31 DECEMBER 2023**

The Corporate Trustee is responsible for maintaining a sound system of internal control which:

- focuses on the significant risks that threaten the organisation's ability to meet its objectives; and
- provides reasonable assurance of the safeguarding of assets.

The Corporate Trustee is also responsible for reviewing the effectiveness of the system of internal control.

The internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the charity is ongoing. This process has been in place for the year ended 31 December 2023 and up to the date of approval of the Corporate Trustee's report and financial statements and is regularly reviewed by the Corporate Trustee.

Experienced and suitably qualified management staff take responsibility for important business functions. Appraisal procedures have been established to maintain the standards of performance.

All significant new initiatives, major investments and investment projects are subject to formal authorisation procedures, through the Finance and Property Committee and/or the Board.

The Property and Finance Committee reviews reports from senior staff on behalf of the Board and from the external accountants and separate auditors to provide assurance that control procedures are in place and are being followed. The Property and Finance Committee informs the Board in this regard on a regular basis.

Procedures have been established for instituting appropriate action to correct weaknesses identified from the above report.

**TIVERTON ALMSHOUSE TRUST CORPORATE TRUSTEES'
RESPONSIBILITIES STATEMENT
YEAR ENDED 31 DECEMBER 2023**

The Charities Act 2011 and registered social housing legislation require the Corporate Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its income and expenditure for that period.

In preparing these financial statements, the Corporate Trustee is required to:

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

The Corporate Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022. The Corporate Trustee has general responsibility for taking reasonable steps to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT
TO THE CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST**

Opinion

We have audited the financial statements of Tiverton Almshouse Trust for the year ended 31 December 2023 which comprise the Statement of comprehensive income (including income and expenditure account), Statement of financial position, Statement of changes in equity and reserves, Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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, including its income and expenditure, for the year then ended;
- and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022

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 director'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 year of at least twelve months from when the original financial statements were authorised for issue.

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

Other information

The Corporate Trustee is responsible for the other information. The other information comprises the information included in the report of the corporate trustee, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST (CONTINUED)**

Opinion on other matter prescribed by the Charities Act 2011

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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 requires us to report to you if, in our opinion:

- the information given in the Corporate Trustee's report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of Corporate Trustee

As explained more fully in the Corporate Trustee's Responsibilities Statement (set out on page 16), the Corporate Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporate Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Corporate 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 Corporate Trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Based on our understanding of the Trust and nature of the business, we identified the principal risks of non-compliance with laws and regulations as being those which have a direct impact on the preparation of the financial statements, such as The Charities Act 2006, and relevant tax legislation (VAT etc.), as well as legislation governing responsibilities as a social housing landlord. We considered the extent to which non-compliance with these laws and regulations may have a material effect on the financial statements.

**INDEPENDENT AUDITOR'S REPORT
TO THE CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST (CONTINUED)**

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Based on this understanding we designed our audit procedures to identify irregularities. Our procedures involved the following:

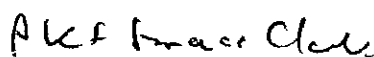
- Enquiries of those charged with governance, regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements.
- Review of minutes of meetings of those charged with governance.
- Evaluation of the effectiveness of management's controls designed to prevent and detect irregularities including those applicable to social housing landlords.
- Challenging assumptions and judgements made by management in its significant accounting estimates.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Charity's corporate trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Charity's corporate trustee those matters we are required to state to the corporate trustee 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's Corporate Trustee as a body, for our audit work, for this report, or for the opinions we have formed.


PKF Francis Clark, Statutory Auditor

Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE
Date:

7/5/24

PKF Francis Clark is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

TIVERTON ALMSHOUSE TRUST
STATEMENT OF COMPREHENSIVE INCOME (INCLUDING
INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED
31 DECEMBER 2023

	Note	2023 £	2022 £
Turnover	2	818,327	782,317
Less: Operating costs	4	1,107,788	1,022,481
Operating deficit	5	(289,461)	(240,164)
Income from fixed asset investments		31,682	33,558
Interest receivable and similar income	9	15,135	6,563
Interest payable and similar charges	10	(23,701)	(15,031)
Unrealised/realised gains and losses on investments	12	273,699	(314,433)
Profit/(loss) on disposal of investment properties		(190,000)	-
Revaluation of properties		112,500	-
Surplus on ordinary activities for the year before tax		(70,146)	(529,507)
Tax on surplus on ordinary activities		-	-
Surplus / (deficit) for the year after tax		(70,146)	(529,507)
Total comprehensive income for the year		(70,146)	(529,507)

Signed on behalf of the corporate trustee on... 07 MAY 2024

Mrs Diana R Hewitt – Director (Chair)



The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF FINANCIAL POSITION YEAR ENDED
31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible fixed assets	11		4,144,378		4,144,378
Investment properties	11		2,519,176		2,856,676
Other fixed assets	11		426,577		428,019
Investments	12		3,775,269		3,491,472
			<u>10,865,400</u>		<u>10,920,545</u>
Current assets					
Debtors	13	42,802		57,532	
Cash at bank and in hand		632,043		727,460	
		<u>674,845</u>		<u>784,992</u>	
Creditors: amounts falling due within one year	14	99,971		169,119	
		<u></u>		<u></u>	
Net current assets			574,874		615,873
Total assets less current liabilities			11,440,274		11,536,418
Creditors: amounts falling due after more than one year	15		493,513		519,511
			<u>10,946,761</u>		<u>11,016,907</u>
Capital and reserves					
Permanent endowment	18		8,744,381		8,710,634
Expendable endowment	18		933,480		888,707
Income and Expenditure reserves	17		1,268,900		1,417,566
			<u>10,946,761</u>		<u>11,016,907</u>

These financial statements were approved and authorised for issue by the corporate trustee on

07 MAY 2024

and signed on its behalf by:

Mrs Diana R Hewitt - Director



The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF CHANGES IN EQUITY AND RESERVES
YEAR ENDED 31 DECEMBER 2023

	Permanent Endowment £	Expendable Endowment £	Other Reserves £	Total £	2022 £
At 31 December 2022	8,710,634	888,707	1,417,566	11,016,907	11,546,414
Surplus for year before gains and losses from investments	-	-	(266,345)	(266,345)	(215,074)
Unrealised/realised gains and losses on investments	111,247	44,773	117,679	273,699	(314,433)
Revaluation of tangible fixed assets	112,500	-	-	112,500	-
Profit/loss on disposal of investment properties	(190,000)	-	-	(190,000)	-
Total comprehensive income	33,747	44,773	(148,666)	(70,146)	(529,507)
Transfers	-	-	-	-	-
At 31 December 2023	8,744,381	933,480	1,268,900	10,946,761	11,016,907

The annexed notes form part of these financial statements.

**TIVERTON ALMSHOUSE TRUST
STATEMENT OF CASHFLOWS
YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	£	£
Net cash flow from operating activities	Note 23 (339,638)	(96,590)
Cash flow from Investing activities		
Payments to acquire tangible fixed assets	(825)	(185,305)
Receipts from sale of fixed assets	260,000	-
Proceeds from Investments	61,210	244,989
Purchase of investments	(108,204)	(229,499)
Interest received	15,005	6,383
Dividends received	31,682	33,558
Net cash flow from Investing activities	<u>258,868</u>	<u>(129,874)</u>
Cash flow from financing activities		
Repayment of long-term loans	(51,544)	(45,681)
Net cash flow from financing activities	<u>(51,544)</u>	<u>(45,681)</u>
Net Increase / (decrease) in cash and cash equivalents	(132,314)	(272,145)
Cash and cash equivalents as at 1 January 2023	784,127	1,056,272
Cash and cash equivalents as at 31 December 2023	<u><u>651,813</u></u>	<u><u>784,127</u></u>
Cash and cash equivalents consist of:		
Cash at bank and in hand	632,043	727,460
Cash held as part of investment portfolio	19,770	56,667
	<u><u>651,813</u></u>	<u><u>784,127</u></u>

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information and basis of preparation

Tiverton Almshouse Trust is incorporated under the Charities Act 2011 and is a Registered Provider of Social Housing in the United Kingdom.

Tiverton Almshouse Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2022, and the Charities Act 2011.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements are prepared in sterling, which is the functional currency of Tiverton Almshouse Trust and rounded to the nearest £.

The registered office is disclosed in the Report of the Corporate Trustee.

Housing properties

Housing properties are principally properties available to beneficiaries of the trust in return for weekly maintenance contributions.

Housing properties are included at deemed cost and are reviewed for impairment at the end of each reporting period.

Investment Properties

Investment properties are principally properties available to tenants of the trust in return for a commercial rent.

Investment properties are included at valuation, representing fair value and at each reporting date any changes in fair value are recognised in the statement of comprehensive income. Professional valuations are undertaken on a 5-year rolling cycle.

Investment properties are reviewed for impairment at the end of each reporting period.

Fixed assets and Depreciation

Other fixed assets are stated at cost, less accumulated depreciation. Depreciation is charged on a straight-line basis at rates anticipated to write off the cost of the asset, at the following annual rates:

Housing & freehold properties	Nil
Computer equipment	33.33% straight line

There is no depreciation charged this year against housing properties or freehold property as the corporate trustee believes the residual values are not lower than the current carrying value in the balance sheet. This opinion is based on the valuation of The Market House offices in 2018 and the valuation work done on the housing properties in 2019. It is the corporate trustee's opinion that the local housing market remained static over the 2023 year, and they will be reviewing this throughout the 2024 financial year.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently they are measured at fair value through the statement of comprehensive income.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

Debtors and creditors receivable/payable within one year

Debtors and creditors payable within one year are recorded at transaction price.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs and then subsequently adjusted for principal repayments and interest charged.

Revaluation surpluses and deficits

Where market value is not readily available, the corporate trustee estimates market value. Revaluations of investments are reported in the Statement of Comprehensive Income.

Leased Assets

Rentals payable under operating leases are charged to the income and expenditure account on a straight-line basis over the period of the lease.

Government grants

A social housing grant was received back in 2004 as a contribution towards the capital cost. The grant was previously deducted from the cost of the housing properties. However, as the housing properties are accounted for using the valuation model, grants should now be accounted for using the performance model which means that grants are recognised as income once the performance conditions have been met. This change has not altered the overall value of reserves.

Current Taxation

No taxation is payable by the charity, since it has charitable status and its activities are exempt from tax.

Value Added Tax

Irrecoverable VAT which can be attributed to capital items or revenue expenditure is added to the cost of the capital item or expenses where practicable and material.

Pension Costs

The charity operates a defined contribution scheme for the benefit of its employees. The costs of contributions are written off through the income and expenditure account in the year they are payable.

Dilapidations

Monies receivable in respect of dilapidations are generally not accounted for until they can be determined with reasonable accuracy.

Turnover

Turnover is measured at the fair value of the consideration received or receivable.

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from almshouse voids.

Interest and dividends receivable

Interest and dividend income is recognised as Tiverton Almshouse Trust's right to receive payment is established.

Key judgements and estimates

The following judgements and estimates have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

The corporate trustee has established a five-year cycle for investment properties to be valued by an external RICS qualified surveyor. In the intervening years the remaining properties are valued by the corporate trustee having regard to all risks, the yield, the strength of the market and comparison with similar properties.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

2. TURNOVER

	2023	2022
	£	£
Rents receivable excluding service charges	478,760	448,679
Service charges receivable	112,700	104,808
Rent and service charge losses from voids	(6,042)	(6,250)
Guest room income	3,270	1,950
Social Housing Turnover	588,688	549,187
Investment property income	229,639	233,130
	<u>818,327</u>	<u>782,317</u>

3. UNITS IN MANAGEMENT

	2023	2022
Social housing for older people	84	84
Warden accommodation	2	2
	<u>86</u>	<u>86</u>

4. OPERATING COSTS

	Support Costs £	Social Housing £	Investment Properties £	Total 2023 £	Total 2022 £
Estate management costs:					
Wages and salaries	-	54,514	21,384	75,898	78,579
Estate costs					
Repairs and maintenance	-	318,663	160,619	479,282	316,634
Professional fees	-	36,660	62,389	99,049	82,654
Utilities	-	86,090	23,651	109,741	134,218
Insurance	-	12,065	17,594	29,659	25,946
Sundry expenses	-	5,487	4,720	10,207	13,712
Waste	-	7,063	-	7,063	7,104
Cleaning	-	3,971	3,892	7,863	7,277
Administrative costs					
Wages and salaries	219,306	-	-	219,306	209,003
Staff costs	696	-	-	696	2,688
Office running costs	33,851	-	-	33,851	31,884
Audit services	8,400	-	-	8,400	4,158
Accountancy services	9,605	-	-	9,605	10,238
COVID19 expenses	100	-	-	100	307
PI insurance	578	-	-	578	578
Subscriptions	3,509	-	-	3,509	5,684
Bank charges	934	-	-	934	894
Depreciation	2,267	-	-	2,267	3,071
Profit/loss on disposal	-	-	-	-	78,000
Investment mgm't fees	9,780	-	-	9,780	9,852
	<u>289,026</u>	<u>524,513</u>	<u>294,249</u>	<u>1,107,788</u>	<u>1,022,481</u>
Apportionment	<u>(289,026)</u>	<u>156,640</u>	<u>132,386</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>681,153</u>	<u>426,635</u>	<u>1,107,788</u>	<u>1,022,481</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

5. OPERATING DEFICIT

	2023	2022
	£	£
Operating deficit is stated after charging:		
Operating leases - other assets	<u>1,524</u>	<u>1,524</u>

6. AUDITORS' REMUNERATION

	2023	2022
	£	£
Audit services	8,400	4,158
	<u>8,400</u>	<u>4,158</u>

7. BOARD OF DIRECTORS OF THE CORPORATE TRUSTEE AND KEY MANAGEMENT PERSONNEL REMUNERATION

	2023	2022
	£	£
The aggregate emoluments payable to key management personnel excluding employer pension contributions	72,358	78,579

The outgoing chief executive was not a member of the charity's defined contribution pension scheme. However, the charity made contributions to their personal pension plan. During the period the total amount contributed to the personal pension was £2,284 (2023: £5,170).

The Board of Directors of the corporate trustee received no expenses or remuneration in the year.

8. EMPLOYEE INFORMATION

	2023	2022
The average number of persons employed during the year expressed in full time equivalents (16 hours or more per week) was:		
Office staff	5	6
Wardens, cleaners and handyman	<u>4</u>	<u>4</u>
	<u>9</u>	<u>10</u>
	£	£
Staff costs (for the above persons)		
Wages and salaries	256,475	254,137
Employer's National Insurance Contributions	24,381	19,057
Other pension costs	<u>14,348</u>	<u>14,388</u>
	<u>295,204</u>	<u>287,582</u>

During the year no employee earned more than £60,000 (2022: one employee).

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2023 £	2022 £
Interest received	15,005	6,383
Miscellaneous income	130	180
	<u>15,135</u>	<u>6,563</u>

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2023 £	2022 £
Mortgage interest	23,701	15,031
	<u>23,701</u>	<u>15,031</u>

11. TANGIBLE FIXED ASSETS

	Housing Properties £	Investment Properties £	Freehold Property £	Computer Equipment £	Total £
COST OR VALUATION					
At 1 January 2023	4,144,378	2,856,676	425,000	18,191	7,444,245
Additions	-	-	-	825	825
Disposals		(450,000)			(450,000)
Revaluation	-	112,500	-	-	112,500
	<u>4,144,378</u>	<u>2,519,176</u>	<u>425,000</u>	<u>19,016</u>	<u>7,107,570</u>
At 31 December 2023	<u>4,144,378</u>	<u>2,519,176</u>	<u>425,000</u>	<u>19,016</u>	<u>7,107,570</u>
DEPRECIATION					
At 1 January 2023	-	-	-	15,172	15,172
Charge for year	-	-	-	2,267	2,267
	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,439</u>	<u>17,439</u>
At 31 December 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,439</u>	<u>17,439</u>
NET BOOK VALUE					
At 31 December 2023	<u>4,144,378</u>	<u>2,519,176</u>	<u>425,000</u>	<u>1,577</u>	<u>7,090,131</u>
At 31 December 2022	<u>4,144,378</u>	<u>2,856,676</u>	<u>425,000</u>	<u>3,019</u>	<u>7,429,073</u>

HOUSING PROPERTIES

Housing properties includes freehold land and buildings, which are included at deemed cost of £3,962,000 (historic cost: £4,210,895).

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

INVESTMENT PROPERTIES

The corporate trustee has established a five-year cycle for investment properties to be valued by an external RICS qualified surveyor.

The freehold interest in 24 and 26 West Exe South, Tiverton were valued at 31 October 2023 by an external valuer Emily Kinver BSc (Hons) MRICS of Stratton Creber, Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards, SORP and FRS102.

For the 2023 year, all investment properties held were valued by the corporate trustee on the basis of fair value as at 31 December 2023.

Valuation is represented by:	2023	2022
	£	£
Historical cost	296,927	296,927
Revaluation	<u>2,222,249</u>	<u>2,559,749</u>
	<u>2,519,176</u>	<u>2,856,676</u>
Revaluation:	2023	2022
	£	£
Balance as at 31 December 2022	2,559,749	2,559,749
Revaluation	112,500	-
Disposals	<u>(450,000)</u>	<u>-</u>
Balance as at 31 December 2023	<u>2,222,249</u>	<u>2,559,749</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

12. INVESTMENTS HELD AS FIXED ASSETS

(Financial assets measured at fair value through the surplus/ (deficit))

	2023 £	2022 £
MARKET VALUE OF LISTED INVESTMENTS		
At 31 December 2022	3,491,472	3,797,008
Additions	108,204	229,499
Disposal proceeds	(61,210)	(244,989)
Realised gains/(losses)	5,474	(2,336)
Unrealised gains/(losses)	268,225	(312,097)
At 31 December 2023	<u>3,812,165</u>	<u>3,467,085</u>
Cash held as part of investment portfolio (movement)	(36,896)	24,387
	<u><u>3,775,269</u></u>	<u><u>3,491,472</u></u>
Historical cost	<u><u>2,626,806</u></u>	<u><u>2,603,782</u></u>

13. DEBTORS – ALL RECEIVABLE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors		
Social housing rent arrears	613	528
Social housing utility arrears	1,085	-
Other	3,564	5,575
	<u>5,262</u>	<u>6,103</u>
Prepayments and accrued income	31,938	43,110
Other debtors	5,602	8,319
	<u><u>42,802</u></u>	<u><u>57,532</u></u>

14. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Mortgages	27,559	29,404
Trade creditors and rents paid in advance	22,433	95,283
Other creditors and accruals	49,979	44,432
	<u><u>99,971</u></u>	<u><u>169,119</u></u>

15. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023 £	2022 £
Mortgages	<u><u>493,513</u></u>	<u><u>519,511</u></u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

16. MORTGAGES

(Financial liabilities measured at fair value through the surplus/ (deficit)).

Analysis of maturity of debt:	2023 £	2022 £
Less than one year or on demand	27,559	29,404
Between one and two years	28,827	30,440
Between two and five years	94,769	97,916
After five years	369,917	391,155
	<u>521,072</u>	<u>548,915</u>

The mortgages mature in July 2037.

Capital is repayable in monthly instalments, which commenced in August 2004. Interest for both loans is calculated based on SONIA and include an Adjustment Spread.

The mortgages are secured on certain freehold housing and investment properties.

17. INCOME AND EXPENDITURE RESERVES

	2022 £	Surplus for year £	Revaluation £	Transferred £	Utilised £	2023 £
Extraordinary repair fund	810,503	-	-	(634,729)	(75,048)	100,726
Cyclical maintenance fund	68,512	-	-	38,718	(30,628)	76,602
Routine works	51,231	-	-	247,237	(241,217)	57,251
Other	487,320	(266,345)	117,679	348,774	346,893	1,034,321
	<u>1,417,566</u>	<u>(266,345)</u>	<u>117,679</u>	<u>-</u>	<u>-</u>	<u>1,268,900</u>

Tiverton Almshouse Trust has established a regular programme of works.

Part of other reserves has been earmarked by the corporate trustee for a particular purpose. Such designations may be reversed by future Trustee decisions.

Expenditure is taken through the income and expenditure account. A transfer is then made as appropriate.

18. CAPITAL AND RESERVES

Permanent Endowment

These reserves represent the historic value of the housing and investment properties together with the current value of any other investments that were held at the date of the merger and cash deposited with Standard Life on behalf of Alexandra Lodge Trust as at the date of the merger.

Expendable Endowment

These reserves represent the current value of any investments purchased since the merger.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

19. LEASING COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2023 £	2022 £
Not later than one year	1,524	1,524
Total	<u>1,524</u>	<u>1,524</u>

20. PENSION COSTS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £12,063 (2022: £9,218).

21. RELATED PARTY TRANSACTIONS

As at the 31 December 2023 two directors of Tiverton Almshouse Trustee Limited were councillors / employees of related Local Authorities.

Any transactions with the Local Authorities were at arms-length on normal commercial terms and these individuals were not able to use their position to their commercial advantage.

22. CONTROL

The ultimate controlling party is the board of directors of Tiverton Almshouse Trustee Limited

23. RECONCILIATION OF OPERATING SURPLUS / (DEFICIT) TO CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Surplus / (deficit) for the year	(70,146)	(529,507)
Mortgage interest paid	23,701	15,031
Interest received	(15,005)	(6,383)
Dividends received	(31,682)	(33,558)
Depreciation/impairment of tangible fixed assets	2,267	3,071
Realised (gain) / loss on disposal of investments	(5,474)	2,336
(Profit)/loss on disposal of tangible fixed assets	-	78,000
(Profit)/loss on disposal of investment properties	190,000	-
Unrealised (gains) / loss on investments	(268,225)	312,097
Revaluation on investment properties	(112,500)	-
(Increase) / decrease in trade and other debtors	14,730	(6,157)
Increase / (decrease) in trade and other creditors	(67,304)	68,480
Net cash flow from operating activities	<u>(339,638)</u>	<u>(96,590)</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

24 ANALYSIS OF CHANGES IN NET DEBT

	2022	Cashflows	Non-cash changes	2023
	£	£	£	£
Long-term borrowings	519,511	-	(25,998)	493,513
Short-term borrowings	29,404	(27,843)	25,998	27,559
Total liabilities	548,915	(27,843)	-	521,072
Cash and cash equivalents	(784,127)	132,314	-	(651,813)
Total	(235,212)	104,471	-	(130,741)

Registered Social Landlord number: A1070
Registered Charity number: 206984



**Report of the Trustees and Audited Financial Statements
For the Year Ended 31 December 2023
For
TIVERTON ALMSHOUSE TRUST**

TIVERTON ALMSHOUSE TRUST

Contents of the Financial Statements FOR THE YEAR ENDED 31 DECEMBER 2023

	Page
Report of the Corporate Trustee	1-13
Statement on internal control systems	14
Corporate Trustees' responsibilities statement	15
Independent Auditor's report	16-18
Statement of comprehensive income (including income and expenditure account)	19
Statement of financial position	20
Statement of changes in equity and reserves	21
Statement of cash flows	22
Notes to the financial statements	23-32

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2023

The Corporate Trustee presents this report with the financial statements of the charity for the year ended 31 December 2023.

INTRODUCTION

The Corporate Trustee is pleased to report that the agreed objectives central to the work of the Tiverton Almshouse Trust of maintaining and improving core charitable activities, planning for the future and delivering a healthy financial position have been satisfied.

Tiverton Almshouse Trust is regulated by the Charity Commission and the Regulator of Social Housing (formerly the Homes and Communities Agency).

This report includes references to the Financial Statements attached and aims to address the regulatory requirements of the Regulator of Social Housing three economic standards: Value for Money, Governance and Financial Viability and the Rent Standard, throughout, as part of the reporting structure.

Total Income in 2023 from charitable activities and other income was £865,144 (2022: £822,438). The total expenditure was £1,321,489 (2022: £1,037,512). The gain on investments was £273,699, which includes an unrealised gain of £268,225 and a realised gain of £5,474. In 2022 there was a deficit of £529,507. The deficit for the year 2023 was £70,146. This is due to important repair and maintenance works for the upkeep of the Trust's portfolio of properties, resulting in a higher than usual repair spend.

CODE OF GOVERNANCE

The Charities Code of Governance 2020 has been adopted by the Board in line with Charity Commission guidance. Tiverton Almshouse Trust falls between the Code for smaller and larger charities (defined as turnover below and above £1m respectively). The Board aspires to meet the recommendations set out for larger charities whilst maintaining a level of proportionality. The Code is produced by the NCVO, ICASA, ACEVO, Association of Chairs and the Small Charities Coalition with the oversight of The Charity Commission

1. OBJECTIVES AND ACTIVITIES

The objects of the Tiverton Almshouse Trust in the Scheme made by the Charity Commission dated 10 September 2009 (as amended by the Scheme dated 28 July 2014) are:

- a. the provision of housing accommodation for poor persons not less than 60 years old who have lived in the area of benefit for not less than 2 years prior to the appointment.
- b. such charitable purposes for the benefit of the residents as the Corporate Trustee decides
- c. the relief of persons resident in the area of benefit who are in financial hardship by:
 - i. making grants of money to them; or
 - ii. providing or paying for goods, services or facilities for them; or
 - iii. making grants to other organisations or institutions which provide goods, services or facilities for those in financial hardship.

The use of income and capital must firstly be applied to meet the proper costs of administering the charity and managing its assets (including repair and insurance of its buildings) and to make annual payments into the reserve funds considered necessary in the annual budget.

The remaining income to further the objects of the charity are made in the following order of priority:

- a. the benefit of the residents
- b. the relief of financial hardship of persons living in the area of benefit (which is Tiverton and environs).

The greatest activity within the Trust is the maintenance of its properties. In addition to almshouse accommodation, the Trust also owns investment property in Tiverton.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2023

The Board considers that the objects are still relevant to the work of the charity. The popularity of the almshouse accommodation, the low level of voids and the financial security of the organisation means that it achieves, and can sustain, its objectives.

Plans for the future address how those objectives can be taken forward to enable beneficiaries to continue to benefit from the Trust's charitable activities given the growing population of elderly and frail people.

Public Benefit

In carrying out the Trust's aims and objectives and in measuring achievements and performance, the Corporate Trustee has had regard to the Charity Commission's guidance dated February 2014 entitled "Public Benefit: rules for charities". Given that the Trust's objective is the relief of poverty (see objects above) only the benefit aspect of "public benefit" requires satisfying. The Commission specifies that the purpose of the charity must be beneficial in a way that is identifiable and capable of being proved by evidence where necessary and not based on personal views. The most quantifiable measure to identify whether the charity has a benefit to the local population eligible for accommodation is the low level of voids within the almshouses.

Tiverton Almshouse Trust almshouse properties are usually fully occupied with no voids (a void is defined as an empty flat awaiting allocation with no further redecorating or refurbishment required before it is occupied). The National Almshouse Association considers a 5% minimum void rate is acceptable and a void allowance of up to 12.5% may be suitable for small groups of almshouses, given the specific beneficiary group they serve. That would indicate that 4 to 9 of the Trust's properties could be void at any one time. The Trust had a voids rate of 1% throughout the year in 2023, under the above definition.

In line with the Trust's governing scheme 2009, the charity provides housing for local people over 60 years old and in financial need. Through regular advertising, open days, contact with Mid Devon District Council, and local voluntary agencies and local charities such as the Churches Housing Action Trust (CHAT), the Trust reaches a wide audience. The Trust has a list of eligible applicants waiting for accommodation and they are from a wide variety of backgrounds indicating that the Trust is reaching its beneficiary group. Nevertheless, the Corporate Trustee strives to raise the profile of the Trust within the town still further and the Strategic Plan has specific targets for ensuring wider awareness. The rigorous application of a points system ensures each applicant meets the required criteria, and this enables each applicant to be prioritised primarily based on financial, housing and social need. The applicant in greatest need at the time a vacancy arises is offered the accommodation regardless of how long they have been known on the list.

During 2023, ten vacancies arose (fifteen in 2022 and nine in 2021). The Trust was able to carry out significant refurbishment, including replacing kitchens and bathrooms with these larger projects taking on average six weeks to complete. The Trust was able to secure new residents immediately as it maintains a detailed list of eligible local people in need who had been previously interviewed so that they could be offered any vacant almshouses as soon as they were available. In some cases, in flats where minimal work was needed, the turnaround time was 4 weeks.

Properties

In total there are 84 almshouses, one unit at each of the two main sites was occupied by a resident Warden in 2023. The almshouses are on three geographically separate sites within Tiverton, namely:

- (i) Greenway Gardens, King Street (40 units)
- (ii) Sles, Angel Terrace (3 units)
- (iii) John Greenway Close, Gold Street (41 units)

The accommodation is designed for independent living. As residents get older the Trust continues to support them for as long as possible and some residents receive third party care packages, social/community services assistance and support from the mental health team as required.

Tiverton Almshouse Trust owns the freehold of several commercial properties in the centre of Tiverton comprising retail shops and residential flats as well as two office buildings known as Raymond Penny House and John Greenway Building in the centre of town. The Trust also owns two terraced houses in Westex, Tiverton.

Going Concern

After a detailed review and examining major areas which could give rise to significant financial risk, the directors are satisfied that no material exposures exist other than as reflected in these Financial Statements and the Trust has adequate resources to continue its operations for the foreseeable future.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2023

The Directors and management team review bi-monthly budgets with the external accountant, which include a minimum forecast 12-month period as well as a programme of works for 5 years. Cash liquidity is monitored through updated summaries of cash and investments which the board reviews in detail at the Finance and Property committee meetings and at the board meeting, quarterly. Throughout 2023 the Trust received independent pro-bono financial advice from Andrew Mayne from Stafford House Investments. Andrew previously supported the production of an annual report for 2022 which reviewed all investments in terms of risk. Tiverton Almshouse Trust is not dependent on investment income however, investments will be affected by market performance.

The Trust receives a steady income from commercial rents and weekly maintenance contributions from our almshouse residents, which meets our annual running costs. Large one-off projects regarding property development and/or significant repairs are reviewed against cash liquidity and available funds, which do not form part of the Trust's permanent endowed fund. Five-year quinquennial inspections have previously been carried out by Assinder Turnham & Co Ltd on all properties on a rolling programme, so the Trust can plan for large expenditure required over coming years and factor into our budget if affordable. In 2023, an inspection of our two properties in Westex South and the Market House in Bampton Street was carried out by Stratton Creber.

The Board and management team review our reserves and investment policies annually. We review our detailed risk register regularly, assessing potential financial risk areas including inflation, interest rate rises and any impacts these would have on the Trust. The Trust applies stress tests to potential risk scenarios related to our almshouse and commercial income and expenditure and how this may affect our budgets and strategic objectives.

2. ACHIEVEMENTS AND PERFORMANCE

Maintaining Properties

The Charity Commission Scheme clearly states that the main object of the charity is to provide almshouses for a specified group of local people. Income and capital must first be used to meet the proper costs of administering the charity and repairing, maintaining and insuring the buildings.

Total expenditure increased by £283,977 to £1,321,489 in 2023. The major factors that influenced this increase was the steep rise in repair costs post the COVID pandemic which totalled £162,648 compared to 2022 plus the loss on disposal of an investment property of £190,000. Note 4 to the Financial Statements provides a comparison and more detail is provided below.

In 2023, and in line with the quinquennial surveys, the Trust undertook a budgeted programme of works and cyclical maintenance. All significant contracts for programmed works and significant repair works were put out to tender. The specification and contract administration (including tender administration and reporting) were undertaken by Assinder Turnham & Co Ltd. Minor routine maintenance was undertaken either by the Trust's Maintenance Officer or by approved sub-contractors. Quotes are not required for work anticipated to be less than £3,000 to avoid inefficiency and wasted staff and sub-contractor time. Sub-contractors are required to breakdown labour and parts entries on invoices and provide discounts for regular work are often agreed. All invoices are reviewed three times before payment; by the Office Manager, the Chief Executive and finally a Director before being approved for payment. At the end of the year, all almshouse, residential and commercial properties were fully let.

Maintenance of Almshouse Properties

Of the £1,321,489 total operating costs and interest payable in 2023 for all properties (investment properties and almshouses combined) £318,663 was spent on almshouse maintenance by way of programmed works, chapel upkeep and renovation, replacement bathrooms and kitchens, external redecoration and where necessary, redecoration and refurbishment of the 10 flats that became vacant.

Increased regulation means increased routine checks, which continue to incur additional financial cost and staff time. The two most costly regulatory functions relate to legionella prevention and fire safety. The monthly, six-monthly, and annual checks for monitoring water hygiene systems to reduce the risk of legionella cost £7,564 in 2023 (2022: £6,616).

In 2023, the cost for the routine checking of fire detection systems was £2,480 (2022 £5,785). These checks are carried out by staff and specialist providers to ensure the Trust fulfils its legal obligations. The requirement to meet more robust guidance and regulations in buildings of differing ages and styles means the Trust is reliant on specialist contractors to carry out some of the works. Quotes are invited for these works and annual contracts are then awarded.

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2023**

Residents' Satisfaction Survey

The Trust is committed to improving services and to reviewing what are the most prominent issues and priorities for our residents by gathering their valuable feedback. The Trust conducts an annual residents' satisfaction survey. A summary of the previously published 2022 results are below.

The Chief Executive presented a revised, more robust set of Residents Survey questions to the Residents Services and Wellbeing Committee. In March 2024 these were unanimously agreed and adopted and will be used in the next survey to be run in June 2024.

Residents Satisfaction Survey	2022
Satisfaction with overall service	100%
Satisfaction with the overall quality of your home	100%
Satisfaction of feeling safe living in your almshouse	100%
Satisfaction that your weekly maintenance contribution provides value for money	97%
Satisfaction that your utility contribution charge provides value for money	97%
Satisfaction with repairs and maintenance	100%
Satisfaction that Tiverton Almshouse Trust listen to your views and acts upon them	95%

The Trust is a member of the benchmarking group Acuity to compare the annual costs of running the almshouse properties with similar almshouse charities and small housing associations across the country. Our level of residents' satisfaction scores will be able to be more robustly compared with other organisations when we have had the opportunity to run the revised survey questions. In 2023 the Trust sits just below the median for spend on reactive repairs and above for cyclical and major repairs.

Investment Property Maintenance

Expenditure on day-to-day maintenance on the Trust's Investment properties was significantly less than on almshouse properties, which is to be expected given the tenancy agreements on the former which oblige commercial tenants to keep properties in good and tenable repair. In 2023 the routine and cyclical maintenance expenditure for the Trust on these properties was £51,535 (2022: £22,105), primarily consisting of servicing and general repairs.

Provision of Almshouse Accommodation

Tiverton Almshouse Trust is a social housing provider registered with and regulated by the Regulator of Social Housing. The Trust is also a registered charity with the Charity Commission. The main purpose of the organisation is to provide housing to local people over 60 years of age and in financial need. Applications are encouraged from anyone who believes they fulfil the basic three criteria and are scrutinised in line with an internally approved policy which is regularly reviewed to ensure consistency and relevance.

In 2023 both main sites had a resident Warden. The third site, known as Slees, is a historic building in the town centre comprising three flats. Residents at Slees are not visited regularly by a resident Warden but the Housing Manager will visit as necessary. This is because, in general, residents at Slees need to be more independent and mobile due to the restrictive historical layout.

The Warden's remit is to ensure the daily well-being of all residents and although they are not medically trained and do not provide personal care, they can assist residents in day-to-day living. Their role can be described as "being a good neighbour". There is a 24-hour emergency call system (Tunstall) within the Greenway Gardens and John Greenway Close sites, enabling residents to access emergency help at all times of the day and night. The Wardens maintain regular contact with family members when necessary or when a resident is unwell. Wardens also provide a variety of optional social activities, held in the community rooms at each of the two main sites.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2023

There are four meetings a year attended by appointed Directors of the Residents Services and Well-being Committee, the Housing Manager and Chief Executive Officer to discuss resident issues and management of the sites. Directors on this committee review the waiting list for vacant almshouses and are updated on informal chats with potential new applicants to determine eligibility for almshouse accommodation.

In 2023, residents paid a Weekly Maintenance Contribution (WMC) for their accommodation and a contribution to water supply and gas (Utility Contribution). Weekly Maintenance Contributions varied from £94.04 per week to £126.63 per week depending on the accommodation that is provided. In addition, all residents paid a £26.73 Utility Contribution based on single occupancy and £33.42 per week based on double occupancy.

The Corporate Trustee aims to keep resident contributions as low as possible considering the rent standard provided by the Regulator of Social Housing (RSH) and equivalent fair rent assessments from the Valuation Office Agency (VOA). The latest VOA assessment was undertaken in 2023. In addition, the Chief Executive consults with Mid Devon District Council on any WMC increase to ensure that those residents who require assistance can access 100% of the rent payment through housing benefit if eligible.

The Corporate Trustee strives to ensure a fair, consistent and transparent process when allocating Almshouse accommodation. There is an approved policy within the Trust to promote its services via the Trust's website and to maintain regular contact with local support organisations such as the Churches Housing Action Trust (CHAT) as well as Devon Home Choice (the bidding portal for local authority housing and housing associations). Promotional material is located in Mid Devon District Council's reception. All applicants complete a detailed application form, including a financial information section and are interviewed by the Housing Manager and CEO. A points system is in use to ensure consistency. Those applicants placed on the list awaiting allocation are regularly reviewed and applicants are encouraged to keep in touch with the Housing Manager.

A good working relationship with Mid Devon District Council and local housing charities ensures a wide-ranging local awareness of the almshouses which includes articles in the local paper and an active use of social media. Innovative ways to widen the search for applicants are always considered. Once an applicant is accepted in principle, a priority weighting system ensures the applicant in greatest need is offered any vacancy first, in accordance with our governing scheme.

The continuing lack of residential care homes within the town and surrounding area means that our residents are staying in their homes longer than in previous times. Social care support is now provided at home and hospital admissions are generally reserved for emergencies, which means that care agencies and health professionals are frequently on site and we work together in partnership for the benefit of the residents.

Alexandra Lodge

Planning permission was granted in 2015 to Abbeyfield, formally The Abbeyfield Society, for a 45-bed extra-care unit at Alexandra Lodge. The freehold of the property is owned by Tiverton Almshouse Trust and following planning permission, a 250-year lease was signed to Abbeyfield. Progress has been slow and the site is now in a state of severe disrepair in the main due to the lack of action of Abbeyfield in the re-development of the site. Abbeyfield has declared that they no longer see the development as a viable proposition. Tiverton Almshouse Trust is in communication with Abbeyfield to best understand future options that ensure the site is able at some point in the future to be developed by another organisation, ultimately to benefit the people of Tiverton.

Relief of Financial Hardship

The additional objectives of the charity allow for the relief of poverty for local people who are in financial hardship by making grants of money to them or making grants to other organisations or institutions with similar aims. The amount of money donated to achieve this objective is considered by the Corporate Trustee at the AGM each year and the donation may be approved to a local organisation with similar aims. No donations were made in 2023.

3. FINANCIAL REVIEW

The Corporate Trustee reviews its reserves and the non-designated funds and expendable endowment to be used for "the proper costs of administering the charity and of managing its assets" (Charity Commission Scheme September 2009). A Reserves Policy addresses the Expendable Endowment and designates funds to the actions approved in the strategic plan. There are regular reviews of operational risks and requirements and sufficient reserves are maintained to address these requirements.

As stated in the Investment policy, the objective of the Corporate Trustee in holding investments within a share portfolio is to produce the best financial return and capital growth within an acceptable risk and to balance the

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2023**

income and capital return.

The four risks identified in the report last year still stand, namely:

- i. Capital growth not keeping up with inflation thereby leading to a decline in the real value of the investment
- ii. Fluctuating income from share portfolios and deposit accounts due to the wider economic environment
- iii. Bank default
- iv. The unknown effect of the current financial economic situation

To limit the above risks, the Board has delegated certain decisions to the Finance and Property Committee (which consists of over half of the Board's number) including allowing those members to re-invest maturing funds subject to the current Financial Services Compensation Scheme Limit. This allows decisions to take advantage of available investment offers (especially fixed rate bonds open for a short time) by acting in a timely manner. All investments, apart from those held within share portfolios, are monitored at every committee meeting.

Shareholding portfolios are managed by professional brokers and/or fund managers and an annual review is undertaken at the November board meeting of the Corporate Trustee. An external investment review takes place annually.

The Corporate Trustee has considered ethical investments to ensure that investments are not made in companies with values not aligned to those of the Trust and has therefore put restrictions on investing in any fund that is linked to the production or sale of tobacco.

It also considered companies who seek to make people homeless, however, this is difficult to monitor and enforce. It was decided not to impose this ethical restriction. The Corporate Trustee accepts that the ethical values of Individual directors must not compromise policy decisions.

The Statement of Comprehensive Income, and supporting note 2, shows that income received from almshouse residents' weekly contributions (including service charges) has increased by £30,289 (6.85%), primarily as a result of the annual review of charges in April. The Corporate Trustee is mindful of maximising income (for the charity's future sustainability) commensurate with fulfilling the Charity Scheme objective to ensure no resident suffers financial hardship.

Operating costs (note 4) show some changes from the previous year. Overall wage costs are up by £7,622 compared to 2022, the increase is as a result of cost-of-living wage increases and one-off performance related payments made to staff during the year.

The income from fixed asset investments (shareholdings and deposits) increased by £6,746 over the year despite the continued volatile market caused by the war in Ukraine. The portfolio of investments is valued in 2023 at £3,775,269 (2022: £3,491,472).

The annual total return on the managed portfolio is reflected in Note 12, with realised and unrealised gains of £273,699 (2022: £314,433 loss).

Rents receivable from investment properties have decreased marginally to £229,639, compared to the 2022 year (£233,130).

Professional valuations are undertaken on our commercial and residential investment properties, on a five-year rolling programme. This year, formal valuations were carried out on the Trust's two investment properties in Westex South and The Market House. Almshouse properties are included under the cost model and do not form part of the annual valuation cycle.

Permanent endowment (identified as investment properties, housing properties and other investments agreed as such by the Charity Commission as part of their investigations prior to the merger in 2009) has increased from £8,710,634 to £8,744,381, reflecting an upwards revaluation and unrealised gains on investments, less a disposal of a high reputational risk investment property.

Other Reserves of £1,268,900 shown in the Statement of Financial Position are identified in note 17 and split into:

1. The Extraordinary Repair Fund (ERF) funds the unforeseen expenditure necessary to carry out the Trust's objectives. It also includes Programmed Works, which are based on the five-year budget

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2023

forecast, the quinquennial surveys and condition surveys that are carried out for the Trust on a regular basis to ensure that there is a rolling programme of maintenance.

2. The Cyclical Maintenance (CMF) fund provides monies for work to maintain properties that is undertaken every so often on a regular, but not annual, basis, such as redecorating almshouses when a resident moves out.
3. Routine works include routine maintenance of the Trust's properties to ensure they remain safe, secure and fit for purpose.

The mortgage debt for the 2004 development of thirty-two new almshouses at John Greenway Close remains the single largest financial commitment. The financial statements show the annual interest payment for the year £23,701 and reduction in the value of the outstanding mortgage of from £548,915 (2022), to £521,072 in 2023.

The mortgage is held in two separate accounts, one fixed until 2032 and one variable allowing just over half of the sum owing to be paid off at any time should Directors deem it prudent to do so.

4. PLANS FOR THE FUTURE

A three-year strategic plan is in place for 2022-2025 with the following objectives:

- Maintain – to ensure residents are provided with good quality homes.
- Develop and collaborate – to develop more quality homes in Tiverton for older people in need, independently as a Trust or with potential partners.
- Profile – to raise the Trust's profile, ensuring there is an awareness of what we offer to benefit older people locally.
- Investment – to invest in the Trust's properties, staff, and technology to ensure the Trust is as efficient and sustainable as possible to secure its future.

5. CHARITY STRUCTURE, GOVERNANCE AND MANAGEMENT

Tiverton Almshouse Trust is regulated by The Charity Commission and the Regulator of Social Housing (formerly the HCA). Under the latter, it is classed as a Registered Provider of social housing. In 2014 a new Charity Commission Scheme changed the way the Trust was governed. Tiverton Almshouse Trust is a registered charity with the objects outlined above (see section 1). The 2014 Scheme gave permission for the charity to have one corporate trustee rather than twelve individual trustees and, as a result, a new company limited by guarantee known as Tiverton Almshouse Trustee Ltd was established to be that sole trustee.

Within the company (the Corporate Trustee) are the twelve voluntary directors (previously called Trustees). The Tiverton Almshouse Trust Scheme provides the Corporate Trustee with the same powers as before and the Articles of Association provide further provisions. The incorporated structure is more recognisable to banking and commercial sectors and provides directors with increased indemnity protection.

The Directors have a term of appointment of five years. Directors can be re-appointed and there is no maximum number of terms for re-appointment. Directors due for retirement on the rotation basis, are interviewed by the Recruitment and Remuneration Committee under an agreed procedure which remains the same for all Directors.

A set series questions probing the interviewee's commitment to the charity and its purpose, the time available for the necessary workload, the skills that can be brought to the Board and the individual's hopes and aspirations for the charity for the next five years are all discussed in depth and reported back to the Board at the AGM when re-appointments are decided. In this way the Board can retain committed and energetic Directors regardless of their length of term.

Prior to appointment and re-appointment Directors must sign the Charity Commission's Declaration of Eligibility to serve. At each meeting of the Board and committees, all potential, real and perceived conflicts of interest, loyalty and perception are declared, recorded and discussed. In the event of a conflict or likelihood of a conflict the Director in question is asked to leave the room at the appropriate time or refrains from voting on the matter in question.

At the end of 2023, the Board had eight Directors (out of a maximum of twelve permitted under its Articles of Association). The Board considers that it has a wide range of the necessary skills and attributes but will actively be seeking additional Directors in 2024. The internal audit of the Board takes place at the AGM in May.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2023

Directors

Name	Position	Date appointed/resigned	Skills and experience
Diana R Hewitt	Chair	Appointed 21 May 2021	Retired Director
John A Pulford	Director	Reappointed 14 May 2019	Retired Local Government Officer
Roger M Stickland	Director	Appointed 6 July 2021	Retired Director
Brian C Berry	Director	Appointed 26 July 2021	CEO Federation of Master Builders
Steve Esau	Director	Appointed 9 May 2023	Surveyor
Richard R Ives	Director	Appointed 20 November 2023	IT Consultant
Brenda Stanley	Director	Resigned 9 May 2023	Retired Businesswoman
Michael H C Biggin	Director	Resigned 9 May 2023	Retired Finance Manager
John N Rendle	Director	Resigned 19 August 2023	Businessperson

Nominated directors appointed by Tiverton Town Council:

Timothy Bridger	Director	Appointed 20 November 2023	Town Councillor
Leslie Cruwys	Director	Appointed 20 November 2023	Town Councillor
Wallace Burke	Director	Resigned 9 May 2023	Town Councillor
Claudette Harrower	Director	Resigned 9 May 2023	Town Councillor

Office of the Trust

The office of the Tiverton Almshouse Trust is: The Market House, 18 Bampton Street, Tiverton, Devon EX16 6AA.

Trust Staff

P Dummett	Chief Executive
N Anderson	Office Manager
N Askew	Housing Manager
L McDonald	Property Manager
L Murphy	Administrator
G Strong	Maintenance Officer
M Pike	Housekeeper/Cleaner

Wardens

L Brooks	Warden, John Greenway Close
E Kerrigan	Resident Warden, Greenway Gardens

Advisors to the Trust

Auditors:	PKF Francis Clark, Centenary House, Exeter, Devon
Accountants:	William Withers & Co., Quayside House, Tiverton, Devon
Bankers:	Unity Trust Bank, 9 Brindley Place, Birmingham
Solicitors:	Ashfords, Gotham House, Tiverton, Devon
Investment advisors:	Rathbones, Keble House, Southernhay Gardens Stafford House Investments, Aintree House, Taunton
Exeter Commercial surveyors:	Stratton Creber, 20 Southernhay West, Exeter
Property Surveyors:	Avison Young, One Kingsway, Cardiff Assinder Turnham, 6/7 Southernhay West, Exeter

Structure of the Trustee's Board of Directors

The Board of Directors comprises of an elected Chair who is voted a year of office at the AGM held every May. The Board of Directors meets quarterly each year at the Trust's offices where possible and by video call. No business may be transacted at a Board meeting unless four Directors are present as a quorum.

In addition, there are four committees:

1. Finance and Property which meets quarterly.
2. Residents' Services and Well-being which meets quarterly.
3. Audit and Risk which meets quarterly.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2023

4. Recruitment and Remuneration which meets in November to review Director vacancies prior to the AGM and to review staff salaries for the following year.

Following the incorporation, Directors approved a governance policy covering the way business is transacted within the committees and within the main board in line with the Articles of Association. The governance policy was reviewed in April 2021.

Director Vacancies

Vacancies for nominated Directors are filled by Tiverton Town Council held in accordance with the ordinary practice of the Town Council. They elect two councillors as their representatives on the Trust's Board and the term is for four years.

The Articles allow for retirement by rotation meaning that at each AGM one-fifth of the elected Directors retire from office. Retiring Directors can re-apply for another term and will be asked to meet with the Recruitment and Remuneration committee prior to the AGM to discuss their application (see above and below).

The approved policy for recruiting new Directors is to advertise following a skills audit of the board and includes provisions for appointment, declarations and managing conflicts of interest/loyalty.

Once appointed, the new Director is encouraged to visit all the almshouse sites (if they have not already done so) accompanied by the CEO or Housing Manager. In addition, the new Director is invited to sit as an observer on all committee meetings for a period of at least six months to enable them to become familiar with workings of the Trust and the day-to-day issues. After the six-month induction, the new Director is encouraged to participate within one or more committees when appointments are made at the AGM.

Appointment and Training of staff

Members of staff are appointed in accordance with the approved policy. Remuneration of all staff is reviewed on an annual basis and increases are based upon a comparison with public sector and private sector pay settlements. When available more specific comparisons are made with other almshouse or housing charities of the same size and operation. A rolling programme of training is operated including fire procedures, cyber security, health and safety risk assessments, food hygiene, first-aid, working at height, safeguarding, lone-working, mental health awareness and data protection. The Almshouse Association provides the most relevant and practical forum for Directors and staff training.

Applying the Charities Code of Governance 2020

The Corporate Trustee has considered, in detail, the best practice guidelines within the Code. There is an obligation upon charities to apply the Code or explain why they have not.

Some guidelines are not applied for good reason. Contracts with local sub-contractors undertaking small-scale routine maintenance work are kept as verbal contracts in the interest of speed, efficiency, and experience of comparative costs.

Regarding Director appointments, the Corporate Trustee has agreed that next year it will review the maximum length of Director appointments to ensure the Trust is following best practice guidance, being mindful of the balance between continuity and the need to ensure that the skills, experience, and knowledge amongst Directors are refreshed on an ongoing basis.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2023

Applying the Value for Money Standard 2018

Tiverton Almshouse Trust is a registered social provider and, as such, publishes annual evidence within these statutory accounts to enable stakeholders to understand its performance as compared with the metrics set out by the regulator, compared to those in our peer group and addresses any areas of underperformance.

Tiverton Almshouse Trust is a member of the Acuity Benchmarking Group for small social housing providers and a second annual benchmarking report has recently been submitted. Improvements we have made in collecting and collating our data this year have increased the accuracy of the submitted figures.

The Trust scored very highly in terms of resident satisfaction and repairs performance. Management of voids, regarding costs and the time to turn these around, were at the lower end of the median but it was clear that there were some differences in how organisations accounted for this element of the process.

WMC collection and arrears were below the average and our spending per property is in line with similar costs across comparable organisations.

The Trust's repairs and maintenance costs are above average in some cases, as are overheads. But when considered as a proportion of our turnover, it returns the Trust to the median line.

Our Major and Cyclical works are high compared to other organisations in part due to which type of services which are considered Cyclical by different organisations; the Trust has recorded the Tunstall emergency call system as cyclical, for example.

The standard refers to activities across the board and includes activities relating to the Trust's investment properties where relevant.

There are seven metrics within the standard:

1. **Reinvestment** (the scale of investment into existing housing, acquisition or development of new housing in relation to the size of the asset base). This metric looks at the investment in properties as a percentage of the value of total properties held. The Trust did not acquire or develop any new housing in 2023 and currently operates 84 social housing units. The measure for the Trust in 2023 is 7.69% (2022: 7.11%). In both years the expenditure on existing properties has been a combination of programmed installation of windows, external painting, refurbishments of bathrooms to shower rooms and a rolling programme of repairs. The section on Maintenance of Almshouses contains further detail.
2. **New supply delivered** (units acquired or developed in the year as a proportion of existing housing stock). Given there were no additional units acquired the measure is zero (2022: zero).
3. **Gearing** (Proportion of borrowing in relation to the size of the asset base). The Trust's borrowing relates to a mortgage taken out in 2004 when the new development of 32 houses was built. The loan is valued at £521,072 at 31 December 2023 representing a gearing of 12.57% (2022: 13.24%). The board continues to review annually the financial benefits of paying off part of the mortgage that is unfixed versus the interest and return on investments.
4. **Earnings before interest, tax, depreciation and amortisation major repairs included** (Indicates liquidity and investment capacity). The EBITDA MRI interest cover seeks to measure the level of surplus that is generated compared to interest payable. The Trust's measure for 2023 is negative 1,037.19% (or 10.37 times). 2022: 1,278.08% (or 12.78 times).
5. **Social housing cost per unit** The Trust's social housing cost per unit for 2023 was £3,990, (2022: £3,794) the applicable costs related to management, repairs and maintenance and service.
6. **A Operating Margin % (Social Housing Lettings Only)** demonstrates the profitability of operating assets before exceptional expenses are taken into account. In calculating this only operating costs directly attributable to social housing costs have been included, the margin for the Trust for 2023 was 10.90% (2022: 15.91%).

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2023

B Operating Margin % (Overall) as above however including all operating costs against social housing income and rents receivable from investment properties the margin for the Trust for 2023 was negative 34.80% (2022: negative 30.70%). The Trust's total expenditure (note 4) has increased compared to 2022.

7. Return on capital employed % (ROCE) the metric compares the operating surplus to total assets less current liabilities, the Trust's ROCE for 2023 was negative 2.33% (2022: negative 1.86%).

Managing Risk

The Corporate Trustee regularly reviews the potential risks to the Trust and aims to take a balanced and proportionate view. Professional advice is taken where necessary and regularly.

Where decisions are taken to commit significant financial resources, the financial return is considered along with the social investment return and the furtherance of the charitable objectives.

Nevertheless, the corporate trustee is acutely aware of the potential risks facing the Trust and a rigorous system of checks and balances is in place and reviewed regularly. A detailed risk register serves to prioritise governance, operational, compliance and external factors that pose the greatest concern and a management plan is enforced to reduce exposure. Greatest risks can be grouped according to residual risk priority and summarised as follows in order of concern:

- i. Regulatory and Statutory
 - a. Changes in government policy leading to reduced income, increased regulation and therefore increased expense and staff time.
 - b. Maximising the positive impact upon beneficiaries but ensuring this is within the parameters of the Charity's objects.
 - c. Governance matters that arise from a small staff team (such as dependence on key staff).
 - d. Recognising the potential for conflicting interests and loyalties given the directors within the corporate trustee are local lay people with numerous local connections and local businesses.
 - e. Reducing the possibility of unknown changes in legislation and regulation (sometimes originating in indirect departments).
- ii. Specific risk mitigation measures relevant to the Financial Statements:
 - a. Fraud: Day-to-day administration procedures are undertaken to reduce the risk of fraud and certain functions (such as payroll) are outsourced. Internal financial reviews are undertaken as good practice, also a Fraud Policy and Fraud Response Plan was implemented to the robust list of policies and procedures already in place.
 - b. Loss of Income (Property): Measures are taken to minimise almshouse voids (see report above) by advertising and maintaining close working relationships with local organisations and the local authority. Commercial rent levels have dropped in recent years due to the uncertain economic climate preceded by a recession, but staff strive to ensure good working relationships with commercial tenants, keep the properties in good working order and keep close monitoring of rental payments to minimise the risk of arrears and to maintain continuity of tenants.
 - c. Loss of Income (other assets): An annual investment review is held every November and monitored every two months by the Finance and Property Committee.
An approved Investment Policy is reviewed every year. Discretionary power has been given to the Trust's brokers who manage the largest portfolio, other investment providers are managed funds or deposit accounts. The Corporate Trustee aims for a wide variety of deposit accounts balancing long term and short-term investments and, as far as reasonably possible, invests no more than the maximum cover provided by the Financial Services Compensation Scheme.
 - d. Unforeseen Property Repair Costs: Quinquennial surveys are commissioned, and the results incorporated into a rolling programme of maintenance within the budget forecast. Unforeseen works are therefore restricted to extraordinary events (such as flooding because of a leak) and usually covered by insurance. Routine maintenance is seen as a core activity.

The Chief Executive is responsible for the day-to-day management of health and safety matters and Directors are aware of their statutory duties under legislation through regular committees. Health and safety risk assessments are carried out annually by the Property Manager. Fire risk assessments are also carried out annually by the Property Manager.

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2023**

A comprehensive list of policies and procedures is reviewed on a one - three-year rolling programme or because of changing legislation or best practice guideline, whichever is the soonest. Regular staff meetings ensure that new procedures are implemented.

A fire drill is held annually.

Residents are encouraged to ask questions and provide feedback verbally, or in writing or thorough suggestion boxes on site. The Chief Executive sends an annual report to all residents with the results from the residents' satisfaction survey. The Chief Executive holds a residents' drop-in each month on both of the large almshouse sites for residents to individually ask questions and give their feedback.

Staff meetings for office employees, including line managers take place weekly for the management team and bi-weekly for the full staff team.

Directors and staff remain vigilant on matters of risk and continue to seek advice and updates from legal bodies, the Charity Commission, the Social Housing Regulator, and the Almshouse Association.

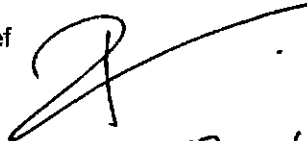
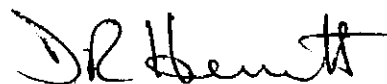
**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2023**

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

- The Corporate Trustee of the charity which held office at the date of approval of these Financial Statements as set out above, confirms, so far as it is aware, that:
 - there is no relevant audit information of which the charity's auditors are unaware; and
 - it has taken all the steps that it ought to have taken as Corporate Trustee in order to make itself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.
- Approved at a meeting of the Corporate Trustee held on.....07 MAY 2024
- Signed on its behalf by:

- Mrs Diana R Hewitt – Director (Chair)

- Mr Patrick R Dummett (Chief Executive)



07.05.2024.

**TIVERTON ALMSHOUSE TRUST
STATEMENT ON INTERNAL CONTROL SYSTEMS
YEAR ENDED 31 DECEMBER 2023**

The Corporate Trustee is responsible for maintaining a sound system of internal control which:

- focuses on the significant risks that threaten the organisation's ability to meet its objectives; and
- provides reasonable assurance of the safeguarding of assets.

The Corporate Trustee is also responsible for reviewing the effectiveness of the system of internal control.

The internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the charity is ongoing. This process has been in place for the year ended 31 December 2023 and up to the date of approval of the Corporate Trustee's report and financial statements and is regularly reviewed by the Corporate Trustee.

Experienced and suitably qualified management staff take responsibility for important business functions. Appraisal procedures have been established to maintain the standards of performance.

All significant new initiatives, major investments and investment projects are subject to formal authorisation procedures, through the Finance and Property Committee and/or the Board.

The Property and Finance Committee reviews reports from senior staff on behalf of the Board and from the external accountants and separate auditors to provide assurance that control procedures are in place and are being followed. The Property and Finance Committee informs the Board in this regard on a regular basis.

Procedures have been established for instituting appropriate action to correct weaknesses identified from the above report.

**TIVERTON ALMSHOUSE TRUST CORPORATE TRUSTEES'
RESPONSIBILITIES STATEMENT
YEAR ENDED 31 DECEMBER 2023**

The Charities Act 2011 and registered social housing legislation require the Corporate Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its income and expenditure for that period.

In preparing these financial statements, the Corporate Trustee is required to:

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

The Corporate Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022. The Corporate Trustee has general responsibility for taking reasonable steps to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT
TO THE CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST**

Opinion

We have audited the financial statements of Tiverton Almshouse Trust for the year ended 31 December 2023 which comprise the Statement of comprehensive income (including income and expenditure account), Statement of financial position, Statement of changes in equity and reserves, Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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, including its income and expenditure, for the year then ended;
- and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022

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 director'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 year of at least twelve months from when the original financial statements were authorised for issue.

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

Other information

The Corporate Trustee is responsible for the other information. The other information comprises the information included in the report of the corporate trustee, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST (CONTINUED)**

Opinion on other matter prescribed by the Charities Act 2011

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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 requires us to report to you if, in our opinion:

- the information given in the Corporate Trustee's report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of Corporate Trustee

As explained more fully in the Corporate Trustee's Responsibilities Statement (set out on page 16), the Corporate Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporate Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Corporate 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 Corporate Trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Based on our understanding of the Trust and nature of the business, we identified the principal risks of non-compliance with laws and regulations as being those which have a direct impact on the preparation of the financial statements, such as The Charities Act 2006, and relevant tax legislation (VAT etc.), as well as legislation governing responsibilities as a social housing landlord. We considered the extent to which non-compliance with these laws and regulations may have a material effect on the financial statements.

**INDEPENDENT AUDITOR'S REPORT
TO THE CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST (CONTINUED)**

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Based on this understanding we designed our audit procedures to identify irregularities. Our procedures involved the following:

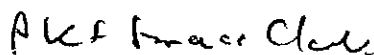
- Enquiries of those charged with governance, regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements.
- Review of minutes of meetings of those charged with governance.
- Evaluation of the effectiveness of management's controls designed to prevent and detect irregularities including those applicable to social housing landlords.
- Challenging assumptions and judgements made by management in its significant accounting estimates.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Charity's corporate trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Charity's corporate trustee those matters we are required to state to the corporate trustee 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's Corporate Trustee as a body, for our audit work, for this report, or for the opinions we have formed.


PKF Francis Clark, Statutory Auditor

Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE
Date:

7/5/24

PKF Francis Clark is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

TIVERTON ALMSHOUSE TRUST
STATEMENT OF COMPREHENSIVE INCOME (INCLUDING
INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED
31 DECEMBER 2023

	Note	2023 £	2022 £
Turnover	2	818,327	782,317
Less: Operating costs	4	1,107,788	1,022,481
Operating deficit	5	(289,461)	(240,164)
Income from fixed asset investments		31,682	33,558
Interest receivable and similar income	9	15,135	6,563
Interest payable and similar charges	10	(23,701)	(15,031)
Unrealised/realised gains and losses on investments	12	273,699	(314,433)
Profit/(loss) on disposal of investment properties		(190,000)	-
Revaluation of properties		112,500	-
Surplus on ordinary activities for the year before tax		(70,146)	(529,507)
Tax on surplus on ordinary activities		-	-
Surplus / (deficit) for the year after tax		(70,146)	(529,507)
Total comprehensive income for the year		(70,146)	(529,507)

Signed on behalf of the corporate trustee on... 07 MAY 2024

Mrs Diana R Hewitt – Director (Chair)



The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF FINANCIAL POSITION YEAR ENDED
31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible fixed assets	11		4,144,378		4,144,378
Investment properties	11		2,519,176		2,856,676
Other fixed assets	11		426,577		428,019
Investments	12		3,775,269		3,491,472
			<u>10,865,400</u>		<u>10,920,545</u>
Current assets					
Debtors	13	42,802		57,532	
Cash at bank and in hand		<u>632,043</u>		<u>727,460</u>	
			674,845		784,992
Creditors: amounts falling due within one year	14	<u>99,971</u>		<u>169,119</u>	
Net current assets			574,874		615,873
Total assets less current liabilities			11,440,274		11,536,418
Creditors: amounts falling due after more than one year	15		493,513		519,511
			<u>10,946,761</u>		<u>11,016,907</u>
Capital and reserves					
Permanent endowment	18		8,744,381		8,710,634
Expendable endowment	18		933,480		888,707
Income and Expenditure reserves	17		<u>1,268,900</u>		<u>1,417,566</u>
			<u>10,946,761</u>		<u>11,016,907</u>

These financial statements were approved and authorised for issue by the corporate trustee on

07 MAY 2024

and signed on its behalf by:

Mrs Diana R Hewitt - Director



The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF CHANGES IN EQUITY AND RESERVES
YEAR ENDED 31 DECEMBER 2023

	Permanent Endowment £	Expendable Endowment £	Other Reserves £	Total £	2022 £
At 31 December 2022	8,710,634	888,707	1,417,566	11,016,907	11,546,414
Surplus for year before gains and losses from investments	-	-	(266,345)	(266,345)	(215,074)
Unrealised/realised gains and losses on investments	111,247	44,773	117,679	273,699	(314,433)
Revaluation of tangible fixed assets	112,500	-	-	112,500	-
Profit/loss on disposal of investment properties	(190,000)	-	-	(190,000)	-
Total comprehensive income	33,747	44,773	(148,666)	(70,146)	(529,507)
Transfers	-	-	-	-	-
At 31 December 2023	8,744,381	933,480	1,268,900	10,946,761	11,016,907

The annexed notes form part of these financial statements.

**TIVERTON ALMSHOUSE TRUST
STATEMENT OF CASHFLOWS
YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	£	£
Net cash flow from operating activities	Note 23 (339,638)	(96,590)
Cash flow from Investing activities		
Payments to acquire tangible fixed assets	(825)	(185,305)
Receipts from sale of fixed assets	260,000	-
Proceeds from Investments	61,210	244,989
Purchase of investments	(108,204)	(229,499)
Interest received	15,005	6,383
Dividends received	31,682	33,558
Net cash flow from Investing activities	<u>258,868</u>	<u>(129,874)</u>
Cash flow from financing activities		
Repayment of long-term loans	(51,544)	(45,681)
Net cash flow from financing activities	<u>(51,544)</u>	<u>(45,681)</u>
Net Increase / (decrease) in cash and cash equivalents	(132,314)	(272,145)
Cash and cash equivalents as at 1 January 2023	784,127	1,056,272
Cash and cash equivalents as at 31 December 2023	<u>651,813</u>	<u>784,127</u>
Cash and cash equivalents consist of:		
Cash at bank and in hand	632,043	727,460
Cash held as part of investment portfolio	19,770	56,667
	<u>651,813</u>	<u>784,127</u>

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information and basis of preparation

Tiverton Almshouse Trust is incorporated under the Charities Act 2011 and is a Registered Provider of Social Housing in the United Kingdom.

Tiverton Almshouse Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2022, and the Charities Act 2011.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements are prepared in sterling, which is the functional currency of Tiverton Almshouse Trust and rounded to the nearest £.

The registered office is disclosed in the Report of the Corporate Trustee.

Housing properties

Housing properties are principally properties available to beneficiaries of the trust in return for weekly maintenance contributions.

Housing properties are included at deemed cost and are reviewed for impairment at the end of each reporting period.

Investment Properties

Investment properties are principally properties available to tenants of the trust in return for a commercial rent.

Investment properties are included at valuation, representing fair value and at each reporting date any changes in fair value are recognised in the statement of comprehensive income. Professional valuations are undertaken on a 5-year rolling cycle.

Investment properties are reviewed for impairment at the end of each reporting period.

Fixed assets and Depreciation

Other fixed assets are stated at cost, less accumulated depreciation. Depreciation is charged on a straight-line basis at rates anticipated to write off the cost of the asset, at the following annual rates:

Housing & freehold properties	Nil
Computer equipment	33.33% straight line

There is no depreciation charged this year against housing properties or freehold property as the corporate trustee believes the residual values are not lower than the current carrying value in the balance sheet. This opinion is based on the valuation of The Market House offices in 2018 and the valuation work done on the housing properties in 2019. It is the corporate trustee's opinion that the local housing market remained static over the 2023 year, and they will be reviewing this throughout the 2024 financial year.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently they are measured at fair value through the statement of comprehensive income.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

Debtors and creditors receivable/payable within one year

Debtors and creditors payable within one year are recorded at transaction price.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs and then subsequently adjusted for principal repayments and interest charged.

Revaluation surpluses and deficits

Where market value is not readily available, the corporate trustee estimates market value. Revaluations of investments are reported in the Statement of Comprehensive Income.

Leased Assets

Rentals payable under operating leases are charged to the income and expenditure account on a straight-line basis over the period of the lease.

Government grants

A social housing grant was received back in 2004 as a contribution towards the capital cost. The grant was previously deducted from the cost of the housing properties. However, as the housing properties are accounted for using the valuation model, grants should now be accounted for using the performance model which means that grants are recognised as income once the performance conditions have been met. This change has not altered the overall value of reserves.

Current Taxation

No taxation is payable by the charity, since it has charitable status and its activities are exempt from tax.

Value Added Tax

Irrecoverable VAT which can be attributed to capital items or revenue expenditure is added to the cost of the capital item or expenses where practicable and material.

Pension Costs

The charity operates a defined contribution scheme for the benefit of its employees. The costs of contributions are written off through the income and expenditure account in the year they are payable.

Dilapidations

Monies receivable in respect of dilapidations are generally not accounted for until they can be determined with reasonable accuracy.

Turnover

Turnover is measured at the fair value of the consideration received or receivable.

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from almshouse voids.

Interest and dividends receivable

Interest and dividend income is recognised as Tiverton Almshouse Trust's right to receive payment is established.

Key judgements and estimates

The following judgements and estimates have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

The corporate trustee has established a five-year cycle for investment properties to be valued by an external RICS qualified surveyor. In the intervening years the remaining properties are valued by the corporate trustee having regard to all risks, the yield, the strength of the market and comparison with similar properties.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

2. TURNOVER

	2023	2022
	£	£
Rents receivable excluding service charges	478,760	448,679
Service charges receivable	112,700	104,808
Rent and service charge losses from voids	(6,042)	(6,250)
Guest room income	3,270	1,950
Social Housing Turnover	588,688	549,187
Investment property income	229,639	233,130
	<u>818,327</u>	<u>782,317</u>

3. UNITS IN MANAGEMENT

	2023	2022
Social housing for older people	84	84
Warden accommodation	2	2
	<u>86</u>	<u>86</u>

4. OPERATING COSTS

	Support Costs £	Social Housing £	Investment Properties £	Total 2023 £	Total 2022 £
Estate management costs:					
Wages and salaries	-	54,514	21,384	75,898	78,579
Estate costs					
Repairs and maintenance	-	318,663	160,619	479,282	316,634
Professional fees	-	36,660	62,389	99,049	82,654
Utilities	-	86,090	23,651	109,741	134,218
Insurance	-	12,065	17,594	29,659	25,946
Sundry expenses	-	5,487	4,720	10,207	13,712
Waste	-	7,063	-	7,063	7,104
Cleaning	-	3,971	3,892	7,863	7,277
Administrative costs					
Wages and salaries	219,306	-	-	219,306	209,003
Staff costs	696	-	-	696	2,688
Office running costs	33,851	-	-	33,851	31,884
Audit services	8,400	-	-	8,400	4,158
Accountancy services	9,605	-	-	9,605	10,238
COVID19 expenses	100	-	-	100	307
PI insurance	578	-	-	578	578
Subscriptions	3,509	-	-	3,509	5,684
Bank charges	934	-	-	934	894
Depreciation	2,267	-	-	2,267	3,071
Profit/loss on disposal	-	-	-	-	78,000
Investment mgm't fees	9,780	-	-	9,780	9,852
	<u>289,026</u>	<u>524,513</u>	<u>294,249</u>	<u>1,107,788</u>	<u>1,022,481</u>
Apportionment	<u>(289,026)</u>	<u>156,640</u>	<u>132,386</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>681,153</u>	<u>426,635</u>	<u>1,107,788</u>	<u>1,022,481</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

5. OPERATING DEFICIT

	2023	2022
	£	£
Operating deficit is stated after charging:		
Operating leases - other assets	<u>1,524</u>	<u>1,524</u>

6. AUDITORS' REMUNERATION

	2023	2022
	£	£
Audit services	8,400	4,158
	<u>8,400</u>	<u>4,158</u>

7. BOARD OF DIRECTORS OF THE CORPORATE TRUSTEE AND KEY MANAGEMENT PERSONNEL REMUNERATION

	2023	2022
	£	£
The aggregate emoluments payable to key management personnel excluding employer pension contributions	72,358	78,579

The outgoing chief executive was not a member of the charity's defined contribution pension scheme. However, the charity made contributions to their personal pension plan. During the period the total amount contributed to the personal pension was £2,284 (2023: £5,170).

The Board of Directors of the corporate trustee received no expenses or remuneration in the year.

8. EMPLOYEE INFORMATION

	2023	2022
The average number of persons employed during the year expressed in full time equivalents (16 hours or more per week) was:		
Office staff	5	6
Wardens, cleaners and handyman	<u>4</u>	<u>4</u>
	<u>9</u>	<u>10</u>
	£	£
Staff costs (for the above persons)		
Wages and salaries	256,475	254,137
Employer's National Insurance Contributions	24,381	19,057
Other pension costs	<u>14,348</u>	<u>14,388</u>
	<u>295,204</u>	<u>287,582</u>

During the year no employee earned more than £60,000 (2022: one employee).

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2023 £	2022 £
Interest received	15,005	6,383
Miscellaneous income	130	180
	<u>15,135</u>	<u>6,563</u>

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2023 £	2022 £
Mortgage interest	23,701	15,031
	<u>23,701</u>	<u>15,031</u>

11. TANGIBLE FIXED ASSETS

	Housing Properties £	Investment Properties £	Freehold Property £	Computer Equipment £	Total £
COST OR VALUATION					
At 1 January 2023	4,144,378	2,856,676	425,000	18,191	7,444,245
Additions	-	-	-	825	825
Disposals	-	(450,000)	-	-	(450,000)
Revaluation	-	112,500	-	-	112,500
	<u>4,144,378</u>	<u>2,519,176</u>	<u>425,000</u>	<u>19,016</u>	<u>7,107,570</u>
At 31 December 2023	4,144,378	2,519,176	425,000	19,016	7,107,570
DEPRECIATION					
At 1 January 2023	-	-	-	15,172	15,172
Charge for year	-	-	-	2,267	2,267
	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,439</u>	<u>17,439</u>
At 31 December 2023	-	-	-	17,439	17,439
NET BOOK VALUE					
At 31 December 2023	<u>4,144,378</u>	<u>2,519,176</u>	<u>425,000</u>	<u>1,577</u>	<u>7,090,131</u>
At 31 December 2022	<u>4,144,378</u>	<u>2,856,676</u>	<u>425,000</u>	<u>3,019</u>	<u>7,429,073</u>

HOUSING PROPERTIES

Housing properties includes freehold land and buildings, which are included at deemed cost of £3,962,000 (historic cost: £4,210,895).

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

INVESTMENT PROPERTIES

The corporate trustee has established a five-year cycle for investment properties to be valued by an external RICS qualified surveyor.

The freehold interest in 24 and 26 West Exe South, Tiverton were valued at 31 October 2023 by an external valuer Emily Kinver BSc (Hons) MRICS of Stratton Creber, Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards, SORP and FRS102.

For the 2023 year, all investment properties held were valued by the corporate trustee on the basis of fair value as at 31 December 2023.

Valuation is represented by:	2023	2022
	£	£
Historical cost	296,927	296,927
Revaluation	<u>2,222,249</u>	<u>2,559,749</u>
	<u>2,519,176</u>	<u>2,856,676</u>
Revaluation:	2023	2022
	£	£
Balance as at 31 December 2022	2,559,749	2,559,749
Revaluation	112,500	-
Disposals	<u>(450,000)</u>	<u>-</u>
Balance as at 31 December 2023	<u>2,222,249</u>	<u>2,559,749</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

12. INVESTMENTS HELD AS FIXED ASSETS

(Financial assets measured at fair value through the surplus/ (deficit))

	2023 £	2022 £
MARKET VALUE OF LISTED INVESTMENTS		
At 31 December 2022	3,491,472	3,797,008
Additions	108,204	229,499
Disposal proceeds	(61,210)	(244,989)
Realised gains/(losses)	5,474	(2,336)
Unrealised gains/(losses)	268,225	(312,097)
At 31 December 2023	<u>3,812,165</u>	<u>3,467,085</u>
Cash held as part of investment portfolio (movement)	(36,896)	24,387
	<u><u>3,775,269</u></u>	<u><u>3,491,472</u></u>
Historical cost	<u><u>2,626,806</u></u>	<u><u>2,603,782</u></u>

13. DEBTORS – ALL RECEIVABLE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors		
Social housing rent arrears	613	528
Social housing utility arrears	1,085	-
Other	3,564	5,575
	<u>5,262</u>	<u>6,103</u>
Prepayments and accrued income	31,938	43,110
Other debtors	5,602	8,319
	<u><u>42,802</u></u>	<u><u>57,532</u></u>

14. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Mortgages	27,559	29,404
Trade creditors and rents paid in advance	22,433	95,283
Other creditors and accruals	49,979	44,432
	<u><u>99,971</u></u>	<u><u>169,119</u></u>

15. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023 £	2022 £
Mortgages	<u><u>493,513</u></u>	<u><u>519,511</u></u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

16. MORTGAGES

(Financial liabilities measured at fair value through the surplus/ (deficit)).

Analysis of maturity of debt:	2023 £	2022 £
Less than one year or on demand	27,559	29,404
Between one and two years	28,827	30,440
Between two and five years	94,769	97,916
After five years	369,917	391,155
	<u>521,072</u>	<u>548,915</u>

The mortgages mature in July 2037.

Capital is repayable in monthly instalments, which commenced in August 2004. Interest for both loans is calculated based on SONIA and include an Adjustment Spread.

The mortgages are secured on certain freehold housing and investment properties.

17. INCOME AND EXPENDITURE RESERVES

	2022 £	Surplus for year £	Revaluation £	Transferred £	Utilised £	2023 £
Extraordinary repair fund	810,503	-	-	(634,729)	(75,048)	100,726
Cyclical maintenance fund	68,512	-	-	38,718	(30,628)	76,602
Routine works	51,231	-	-	247,237	(241,217)	57,251
Other	487,320	(266,345)	117,679	348,774	346,893	1,034,321
	<u>1,417,566</u>	<u>(266,345)</u>	<u>117,679</u>	<u>-</u>	<u>-</u>	<u>1,268,900</u>

Tiverton Almshouse Trust has established a regular programme of works.

Part of other reserves has been earmarked by the corporate trustee for a particular purpose. Such designations may be reversed by future Trustee decisions.

Expenditure is taken through the income and expenditure account. A transfer is then made as appropriate.

18. CAPITAL AND RESERVES

Permanent Endowment

These reserves represent the historic value of the housing and investment properties together with the current value of any other investments that were held at the date of the merger and cash deposited with Standard Life on behalf of Alexandra Lodge Trust as at the date of the merger.

Expendable Endowment

These reserves represent the current value of any investments purchased since the merger.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

19. LEASING COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2023 £	2022 £
Not later than one year	1,524	1,524
Total	<u>1,524</u>	<u>1,524</u>

20. PENSION COSTS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £12,063 (2022: £9,218).

21. RELATED PARTY TRANSACTIONS

As at the 31 December 2023 two directors of Tiverton Almshouse Trustee Limited were councillors / employees of related Local Authorities.

Any transactions with the Local Authorities were at arms-length on normal commercial terms and these individuals were not able to use their position to their commercial advantage.

22. CONTROL

The ultimate controlling party is the board of directors of Tiverton Almshouse Trustee Limited

23. RECONCILIATION OF OPERATING SURPLUS / (DEFICIT) TO CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Surplus / (deficit) for the year	(70,146)	(529,507)
Mortgage interest paid	23,701	15,031
Interest received	(15,005)	(6,383)
Dividends received	(31,682)	(33,558)
Depreciation/impairment of tangible fixed assets	2,267	3,071
Realised (gain) / loss on disposal of investments	(5,474)	2,336
(Profit)/loss on disposal of tangible fixed assets	-	78,000
(Profit)/loss on disposal of investment properties	190,000	-
Unrealised (gains) / loss on investments	(268,225)	312,097
Revaluation on investment properties	(112,500)	-
(Increase) / decrease in trade and other debtors	14,730	(6,157)
Increase / (decrease) in trade and other creditors	(67,304)	68,480
Net cash flow from operating activities	<u>(339,638)</u>	<u>(96,590)</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2023

24 ANALYSIS OF CHANGES IN NET DEBT

	2022	Cashflows	Non-cash changes	2023
	£	£	£	£
Long-term borrowings	519,511	-	(25,998)	493,513
Short-term borrowings	29,404	(27,843)	25,998	27,559
Total liabilities	548,915	(27,843)	-	521,072
Cash and cash equivalents	(784,127)	132,314	-	(651,813)
Total	(235,212)	104,471	-	(130,741)

Tiverton Almshouse Trust

Registered in England and Wales - Charity number: 206984

Registered Office:
Tiverton Almshouse Trust
Market House
18a Bampton Street
TIVERTON
Devon
EX16 6AA

Francis Clark LLP
Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

Dear Sirs

Financial Statements of Tiverton Almshouse Trust for the year ended 31 December 2023

This representation letter is provided in connection with your audit of the financial statements of Tiverton Almshouse Trust ("the charity"), for the year ended 31 December 2023 for the purpose of expressing an opinion as to whether these financial statements give a true and fair view of the results and financial position of Tiverton Almshouse Trust in accordance with the Charities Act 2011, The Housing Regeneration Act 2008, the Accounting Direction for private registered providers of social house in England 2022, UK Generally Accepted Accounting Practice and the Statement of Recommended Practice for Social Housing Providers 2018.

The representations made in this letter are in accordance with the definitions set out in the Appendix to this letter.

We confirm that:

Financial statements

1. We have fulfilled our responsibilities as trustees, as set out in the terms of the audit engagement letter dated 15 January 2024, for preparing financial statements in accordance with the Charities Act 2011, The Housing Regeneration Act 2008, the Accounting Direction for private registered providers of social house in England 2022, UK Generally Accepted Accounting Practice and the Statement of Recommended Practice for Social Housing Providers 2018, which give a true and fair view of the state of the charity's affairs as at the end of its financial year and of the charity's income and expenditure for the year then ended and for making accurate representations to you.
2. Measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
3. We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.
4. We have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements to you and these have been disclosed in accordance with UK Generally Accepted Accounting Practice.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with UK Generally Accepted Accounting Practice.
6. All events since the balance sheet date which require disclosure or which would materially affect the amounts in the financial statements have been adjusted or disclosed in the financial statements.
7. We confirm that the financial statements are free of material misstatements, including omissions. We believe that the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole.

Appendix A to the Board Representation Letter of Tlverton Almshouse Trust: Definitions

Financial Statements

A complete set of financial statements comprises:

- a balance sheet as at the end of the year/period;
- a statement of financial activities for the year/period;
- a cashflow statement for the year/period; and
- notes, comprising a summary of significant accounting policies and other explanatory information.

Material Matters

Material omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Management

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance".

Accounts

Registered Social Landlord number: A1070
Registered Charity number: 206984



Report of the Trustees and Audited Financial Statements
For the Year Ended 31 December 2022
For
TIVERTON ALMSHOUSE TRUST

TIVERTON ALMSHOUSE TRUST

Contents of the Financial Statements FOR THE YEAR ENDED 31 DECEMBER 2022

	Page
Report of the Corporate Trustee	1-13
Statement on internal control systems	14
Corporate Trustees' responsibilities statement	15
Independent Auditor's report	16-18
Statement of comprehensive income (including income and expenditure account)	19
Statement of financial position	20
Statement of changes in equity and reserves	21
Statement of cash flows	22
Notes to the financial statements	23-32

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2022

The Corporate Trustee presents this report with the financial statements of the charity for the year ended 31 December 2022.

INTRODUCTION

The Corporate Trustee is pleased to report that the agreed objectives central to the work of the Tiverton Almshouse Trust of maintaining and improving core charitable activities, planning for the future and delivering a healthy financial position have been satisfied.

Tiverton Almshouse Trust is regulated by the Charity Commission and the Regulator of Social Housing (formerly the Homes & Communities Agency).

This report includes references to the Financial Statements attached and aims to address the regulatory requirements of the Regulator of Social Housing three economic standards: Value for Money, Governance & Financial Viability and the Rent Standard, throughout, as part of the reporting structure.

The total Income this year in 2022 from charitable activities and other income was £822,438 (2021: £860,300). The total expenditure was £1,037,512 (2021: £776,260). The loss on investments was £314,433, which includes an unrealised loss of £312,097 and a realised loss of £2,336. In 2021 there was surplus of £527,525. The deficit for the year 2022 is £529,507. This is due to the loss of Investments and also significant repairs to our listed chapel and replacing timber windows for UVPC windows.

CODE OF GOVERNANCE

The Charities Code of Governance 2020 has been adopted by the Board in line with Charity Commission guidance. Tiverton Almshouse Trust falls between the Code for smaller and larger charities (defined as turnover below and above £1m respectively). The Board aspires to meet the recommendations set out for larger charities whilst maintaining a level of proportionality. The Code is produced by the NCVO, ICASA, ACEVO, Association of Chairs and the Small Charities Coalition with the oversight of The Charity Commission

1. OBJECTIVES AND ACTIVITIES

The objects of the Tiverton Almshouse Trust in the Scheme made by the Charity Commission dated 10 September 2009 (as amended by the Scheme dated 28 July 2014) are:

- a. the provision of housing accommodation for poor persons not less than 60 years old who have lived in the area of benefit for not less than 2 years prior to the appointment.
- b. such charitable purposes for the benefit of the residents as the Corporate Trustee decides
- c. the relief of persons resident in the area of benefit who are in financial hardship by:
 - i. making grants of money to them; or
 - ii. providing or paying for goods, services or facilities for them; or
 - iii. making grants to other organisations or institutions which provide goods, services or facilities for those in financial hardship.

The use of income and capital must firstly be applied to meet the proper costs of administering the charity and managing its assets (including repair and insurance of its buildings) and to make annual payments into the reserve funds considered necessary in the annual budget.

The remaining income to further the objects of the charity are made in the following order of priority:

- a. the benefit of the residents
- b. the relief of financial hardship of persons living in the area of benefit (which is Tiverton and environs).

The greatest activity within the Trust is the maintenance of its properties. In addition to almshouse accommodation, the Trust also owns investment property in Tiverton.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2022

The board considers that the objects are still relevant to the work of the charity. The popularity of the almshouse accommodation, the low level of voids and the financial security of the organisation means that it achieves, and can sustain, its objectives.

Plans for the future address how those objectives can be taken forward to enable beneficiaries to continue to benefit from the Trust's charitable activities as the government and society shifts to take care of a higher proportion of an ageing and frail older population.

Public Benefit

In carrying out the Trust's aims and objectives and in measuring achievements and performance, the Corporate Trustee has had regard to the Charity Commission's guidance dated February 2014 entitled "Public Benefit: rules for charities". Given that the Trust's objective is the relief of poverty (see objects above) only the benefit aspect of "public benefit" requires satisfying. The Commission specifies that the purpose of the charity must be beneficial in a way that is identifiable and capable of being proved by evidence where necessary and not based on personal views. The most quantifiable measure to identify whether the charity has a benefit to the local population eligible for accommodation is the low level of voids within the almshouses.

Tiverton Almshouse Trust almshouse properties are usually fully occupied with no voids (a void is defined as an empty flat awaiting allocation with no further redecorating or refurbishment required before it is occupied). The National Almshouse Association considers a 5% minimum void rate is acceptable and a void allowance of up to 12.5% may be suitable for small groups of almshouses, given the specific beneficiary group they serve. That would indicate that 4 to 9 of the Trust's properties could be void at any one time. The Trust had no voids throughout the year in 2022 under the above definition.

In line with the Trust's governing scheme 2009, the charity provides housing for local people over 60 years old and in financial need. Through regular advertising, open days, contact with Mid Devon District Council, and local voluntary agencies and local charities such as the Churches Housing Action Trust (CHAT) the Trust reaches a wide audience. The Trust has a list of eligible applicants waiting for accommodation and they are from a wide variety of backgrounds indicating that the Trust is reaching its beneficiary group. Nevertheless, the Corporate Trustee strives to raise the profile of the Trust within the town still further and the Strategic Plan has specific targets for ensuring wider awareness. The rigorous application of a points system ensures each applicant meets the required criteria, enables each applicant to be prioritised primarily based on financial need. The applicant in greatest need at the time a vacancy arises is offered the accommodation regardless of how long they have been known on the list.

During 2022, fifteen vacancies arose (nine in 2021). We were able to carry out significant refurbishment, including replacing kitchens and bathrooms with these larger projects taking on average five weeks to complete. The Trust was able to secure new residents immediately as it maintains a detailed list of eligible local people in need who had been previously interviewed so that they could be offered any vacant almshouses as soon as they were available. In some cases, in flats where minimal work was needed, the turnaround in the flat getting it ready for the new resident was just one week.

Properties

In total there are 84 almshouses, and two units are occupied by two Resident Wardens. The almshouses are on three geographically separate sites within Tiverton, namely:

- (i) Greenway Gardens, King Street
- (ii) Sleees, Angel Terrace
- (iii) John Greenway Close, Gold Street

The accommodation is designed for independent living, as residents get older, the Trust continues to support them for as long as possible and some residents receive third party care packages, social/community services assistance and support from the mental health team as required.

Tiverton Almshouse Trust owns the freehold of several commercial properties in the centre of Tiverton comprising retail and residential flats as well as two office buildings known as Raymond Penny House and John Greenway Building in the centre of town. The Trust also owns two terraced houses in Westex, Tiverton.

Going Concern

After a detailed review and examining major areas which could give rise to significant financial risk, the directors are satisfied that no material exposures exist other than as reflected in these Financial Statements and the Trust has adequate resources to continue its operations for the foreseeable future.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2022

The directors and management team review bi-monthly budgets with our external accountant, which include a minimum forecast 12-month period as well as a programme of works for 5 years. Cash liquidity is monitored through our updated summaries of cash and investments which the board review in detail at Finance & property meetings and at the board meeting quarterly. We have also engaged an independent financial advisor from Stafford House Investments, Andrew Mayne, to produce an annual report to review all our investments in terms of risk. Tiverton Almshouse Trust is not dependent on investment income and market performance.

We receive a steady income from commercial rents and weekly maintenance contributions from our almshouse residents, which meets our annual running costs. Large one-off projects regarding property development and/or significant repairs are reviewed against cash liquidity and available funds, which do not form part of the trusts permanent endowed fund. Five-year quinquennial inspections are carried out by Assinder Turnham on all our properties on a rolling programme, so we can plan for large expenditure required over coming years and factor into our budget if affordable. The board and management team review our reserves and investment policies annually. We review our detailed risk register regularly looking at potential financial risk areas, particularly considering COVID, inflation, interest rate rises and any impacts these would have on the Trust. We apply stress tests to potential risk scenarios related to our almshouse and commercial income and expenditure and how this may affect our budgets and strategic objectives.

2. ACHIEVEMENTS AND PERFORMANCE

Maintaining Properties

The Charity Commission Scheme clearly states that the main object of the charity is to provide almshouses for a specified group of local people. Income and capital must first be used to meet the proper costs of administering the charity and repairing, maintaining and insuring the buildings.

Total expenditure increased by £261,252 to £1,037,512 in 2022. A major factor to this increase is repair costs, which increased by £81,991 compared to the 2021 year. Note 4 to the Financial Statements provides a comparison and more detail is provided below.

In 2022, and in line with the quinquennial surveys, the Trust undertook a budgeted programme of works and cyclical maintenance. All significant contracts for programmed works and significant repair works are put out to tender. The specification and contract administration (including tender administration and reporting) has been undertaken this year by Assinder Turnham, Chartered Surveyors. Minor routine maintenance is undertaken either by the Trust's Maintenance Officer or by one of an approved number of sub-contractors. Quotes are not required for work anticipated to be less than £3,000 to avoid inefficiency and wasted staff time and sub-contractor time. Sub-contractors are required to breakdown labour and parts entries on invoices and, where possible, discounts for regular work are requested and often granted. All invoices are reviewed three times – by the Finance Administrator, the Chief Executive and finally a director before being approved for payment. At the end of the year, all almshouse, residential and commercial properties were fully let apart from one commercial building, where the lease finished after 50 years, in early 2021. We secured planning permission on 26 March 2022 and hoped to be able to develop this building onto two commercial units and 8 almshouse units but due to inflation costs this is being reviewed for current financial viability.

Maintenance of Almshouse Properties

Of the £1,037,512 total operating costs and interest payable in 2022 for all properties (investment properties and almshouses combined) £294,529 was spent on almshouse maintenance by way of programmed works, installation of UPVC windows to 30 properties, a chapel renovation, replacement bathrooms and kitchens, external redecoration and, where necessary redecoration and refurbishment of the fifteen flats that became vacant.

Increased regulation means increased routine checks, which continue to present additional financial cost and staff time. The two most costly regulatory functions relate to legionella prevention and fire safety. The monthly, six-monthly, and annual checks for monitoring water hygiene systems to reduce the risk of legionella cost the Trust £6,616 in 2022 (2021: £5,818).

To routinely check fire detection systems the cost in 2022 was £5,785 (2021 £5,514). Where staff carry out routine checks, but specialist services are more frequently required to fulfil legal obligations. The requirement to meet more robust guidance and regulations in buildings of differing ages and styles means the Trust is reliant on specialist contractors to carry out some of the works. Quotes are invited for these work, and annual contracts are then awarded.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2022

Residents' Satisfaction Survey

The Trust is committed to improving services and to reviewing what are the most prominent issues and priorities for our residents by gathering their valuable feedback. We conduct an annual residents' satisfaction survey, results for 2022 are below compared to 2021 results.

Residents Satisfaction Survey	2022	2021
Satisfaction with overall service	100%	100%
Satisfaction with the overall quality of your home	100%	100%
Satisfaction of feeling safe living in your almshouse	100%	99%
Satisfaction that your weekly maintenance contribution provides value for money	97%	96%
Satisfaction that your utility contribution charge provides value for money	97%	97%
Satisfaction with repairs and maintenance	100%	96%
Satisfaction that Tiverton Almshouse Trust listen to your views and acts upon them	95%	96%

The Trust is a member of a benchmarking group called Acuity to compare the annual costs of running the almshouse properties with similar almshouse charities and small housing associations across the country. Our level of residents' satisfaction scores very favourably with other organisations. We sit just below the median for spend on reactive repairs and just above for cyclical and major repairs. We have introduced cloud-based IT systems, which will help going forward in recording more detailed data for benchmarking.

Investment Property Maintenance

Expenditure on day-to-day maintenance on the Trust's investment properties was significantly less than on almshouse properties, which is to be expected given the tenancy agreements on the former which oblige commercial tenants to keep properties in good and tenable repair. In 2022 the routine and cyclical maintenance expenditure for the Trust on these properties was £22,105 (2021: £91,862), primarily consisting of servicing and general repairs.

Provision of Almshouse Accommodation

Tiverton Almshouse Trust is a social housing provider registered with, and regulated by, the Regulator of Social Housing. The Trust is also a registered charity with the Charity Commission. The main purpose of the organisation is to provide housing to local people over 60 years of age and in financial need. Applications are encouraged from anyone who believes they fulfil the basic three criteria and are scrutinised in line with an internally approved policy which is regularly reviewed (at least every three years) to ensure consistency and relevance (see below).

Two out of our three sites have a Resident Warden. The third site, known as Slees, is a historic building in the town centre comprising three flats. Residents at Slees are not visited regularly by a Resident Warden but the House Manager will visit as necessary. This is because, in general, residents at Slees need to be more independent and mobile due to the restrictive historical layout.

The Resident Warden's remit is to ensure the daily well-being of all residents and although they are not medically trained and do not provide personal care, they assist residents in day-to-day living. Their role can be described as "being a good neighbour". There is a 24-hour emergency call system within Greenway Gardens and John Greenway Close enabling residents to access emergency help at all times of the day and night. The Resident Wardens maintain regular contact with family members when necessary or when a resident is unwell. Resident Wardens also provide a variety of social activities where residents are invited, but are not obliged, to attend. These are held within the Community Room on the two main sites.

There are 4 meetings a year attended by appointed Directors of the residents' services and well-being committee, the Housing Manager and Resident Wardens to discuss resident issues and management of the sites. Directors on this committee review the waiting list for vacant almshouses and are updated on informal chats with new applicants to determine eligibility for almshouse accommodation.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2022

Residents pay a Weekly Maintenance Contribution for their accommodation and a contribution to water supply and gas (Utility Contribution). Weekly Maintenance Contributions (WMC) vary from £94 per week to £123 per week depending on the accommodation that is provided. In addition, all residents pay a £24.98 Utility Contribution based on single occupancy and £31.23 per week based on double occupancy.

The Corporate Trustee aims to keep resident contributions as low as possible considering the rent standard provided by the Regulator of Social Housing (RSH) and equivalent fair rent assessments from the Valuation Office Agency (VOA). The latest VOA assessment was undertaken in 2022. In addition, the Chief Executive consults with Mid Devon District Council on any WMC increase to ensure that those residents who require assistance can access 100% of the rent payment through housing benefit if eligible.

The Corporate Trustee strives to ensure a fair, consistent and transparent process when allocating almshouse accommodation. There is an approved policy within the Trust to advertise in the local newspaper, website. If necessary, maintain regular contact with local support organisations, the Churches Housing Action Trust (CHAT) as well as Devon Home Choice (the bidding portal for local authority housing and housing associations). Adverts are also placed in Mid Devon District Council's reception. All applicants must complete a detailed application form, including a financial information section and be interviewed by the Housing manager and CEO. A points system is in use to ensure consistency. Those applicants placed on the list awaiting allocation are regularly reviewed and applicants are encouraged to keep in touch with the Housing Manager.

A good working relationship with Mid Devon District Council and local housing charities ensures a wide-ranging local awareness of the almshouses as well as video presentations to local groups and articles in local papers. Innovative ways to widen the search for applicants are put in place and once an applicant is accepted in principle a priority weighting system ensures the applicant in greatest need is offered any vacancy first, in accordance with our governing scheme.

The continuing lack of care homes within the town and surrounding means that residents are staying in their homes longer than in previous times. Social care support is now provided at home and hospital admissions generally reserved for emergencies, which means that care agencies and health professionals are frequently on site and we work together in partnership for the benefit of the residents.

Alexandra Lodge

Planning permission was granted in 2015 to The Abbeyfield Society for the redevelopment of Alexandra Lodge, an empty listed house in gardens within the town, for a 45-bed extra-care unit. The freehold of the property is owned by Tiverton Almshouse Trust and, following planning permission, a 250-year lease was signed to The National Abbeyfield Society. Since then, progress has been slow and due to financial issues Abbeyfield may not be able to continue with their plans for this site. Tiverton Almshouse Trust are in communications with Abbeyfield to see the options that they are pursuing to ensure the site is able at some point in the future to be developed by another organisation or a consortium of local organisations to ultimately benefit the people of Tiverton.

Relief of Financial Hardship

The additional objectives of the charity allow for the relief of poverty for local people who are in financial hardship by making grants of money to them or making grants to other organisations or institutions with similar aims. The amount of money donated to achieve this objective is considered by the Corporate Trustee at the AGM each year and the donation may be approved to a local organisation with similar aims. No donations were made in 2022.

3. FINANCIAL REVIEW

The Corporate Trustee reviews its reserves and the non-designated funds and expendable endowment to be used for "the proper costs of administering the charity and of managing its assets" (Charity Commission Scheme September 2009). A Reserves Policy addresses the Expendable Endowment and designates funds to the actions approved in the strategic plan. There are regular reviews of operational risks and requirements, sufficient reserves are maintained to address these requirements.

As stated in the Investment Policy, the objective of the Corporate Trustee in holding investments within a share portfolio is to produce the best financial return and capital growth within an acceptable risk and to balance the income and capital return.

The four risks identified in the report last year still stand, namely:

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2022**

- i. Capital growth not keeping up with inflation thereby leading to a decline in the real value of the investment
- ii. Fluctuating income from share portfolios and deposit accounts due to COVID and the current economic situation
- iii. Bank default
- iv. The unknown effect of the current financial economic situation

To limit the above risks the board has delegated certain decisions to the Finance & Property Committee (which consists of over half of the board's number) including allowing those members to re-invest maturing funds subject to the current Financial Services Compensation Scheme Limit. This allows decisions to take advantage of available investment offers (especially fixed rate bonds open for a short time) by acting in a timely manner. All investments, apart from those held within share portfolios, are monitored at every sub-committee meeting.

Shareholding portfolios are managed by professional brokers and/or fund managers and an annual review is undertaken at the November board meeting of the Corporate Trustee. An external investment review takes place annually.

The Corporate Trustee has considered ethical investments in line with ensuring that investments are not made into companies with opposite values from that of the Trust and has therefore put restrictions on investing in any fund that is linked to the production or sale of Tobacco.

It also considered companies who seek to make people homeless, however, this would be difficult to monitor and enforce. It was decided not to impose this ethical restriction. The Corporate Trustee accepts that the ethical values of individual directors must not compromise policy decisions.

The Statement of Comprehensive Income, and supporting note 2, shows that income received from almshouse residents' weekly contributions (including service charges) has increased by £15,167 (3.5%), primarily as a result of the annual review of charges in April. The Corporate Trustee is mindful of maximising income (for the charity's future sustainability) commensurate with fulfilling the Charity Scheme objective to ensure no resident suffers financial hardship.

Operating costs (note 4) show some changes from the previous year. Overall wage costs are up by £22,839 compared to 2021, the increase is as a result of cost-of-living wage increases and performance related pay paid to staff during the year and a new staff post created in the team.

The income from fixed asset investments (shareholdings and deposits) increased by £4,224 over the year mainly due to the continued volatile market caused by the war in Ukraine. The portfolio of investments is valued in 2022 at £3,491,472 (2021: £3,797,008).

The annual total return on the managed portfolio is reflected in Note 12, with realised and unrealised loss of £314,433 (2021: £453,485 gain).

Rents receivable from investment properties have decreased marginally to £233,130, compared to the 2021 year (£236,815).

Professional valuations are undertaken on our commercial and residential investment properties, on a five-year rolling programme. This year, no formal valuations were carried out, and instead informal valuations were undertaken by the corporate trustee in 2022 on the almshouse and investment properties and they are kept at 2021 levels. Almshouse properties are included under the cost model and do not form part of the annual valuation cycle.

Permanent endowment (identified as investment properties, housing properties and other investments agreed as such by the Charity Commission as part of their investigations prior to the merger in 2009) has decreased from £8,794,548 to £8,710,634, reflecting the unrealised loss on investments.

Other Reserves of £1,417,566 shown in the Statement of Financial Position are identified in note 17 and split into:

1. The Extraordinary Repair Fund (ERF) which allows for unforeseen expenditure necessary to carry out the Trust's objectives. It also includes Programmed Works, which are based on the five-year budget forecast, the quinquennial surveys and conditions surveys that are carried out for the Trust on a regular basis to ensure that there is a rolling programme of maintenance.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2022

2. The Cyclical Maintenance fund reflects expenditure on work to maintain properties that is undertaken every so often on a regular, but not annual, basis, such as redecorating almshouses when a resident moves out.
3. Routine works include routine maintenance of the Trusts properties to ensure they remain safe, secure and fit for purpose.

The mortgage debt for the 2004 development of thirty-two new almshouses at John Greenway Close remains the single largest financial commitment. The financial statements show the annual interest payment for the year £15,031 and reduction in the value of the outstanding mortgage of from £579,566 (2021) to £548,915 in 2022.

The mortgage is held in two separate accounts, one fixed until 2032 and one variable allowing just over half of the sum owing to be paid off at any time should directors deem prudent to do so.

4. **PLANS FOR THE FUTURE**

A new three-year strategic plan is now in place for 2022-2025 with the following objectives:

- Maintain – to ensure residents are provided with good quality homes.
- Develop & collaborate – to develop more quality homes in Tiverton for older people in need, independently as a Trust or with potential partners.
- Profile – to raise the Trust's profile, ensuring there is an awareness of what we offer to benefit older people locally.
- Investment – to invest in the Trust's properties, staff, and technology to ensure the Trust is as efficient and sustainable as possible to secure its future.

5. **CHARITY STRUCTURE, GOVERNANCE AND MANAGEMENT**

Tiverton Almshouse Trust is regulated by The Charity Commission and the Regulator of Social Housing (formerly the HCA). Under the latter, it is classed as a Registered Provider of social housing. In 2014 a new Charity Commission Scheme changed the way the Trust was governed. Tiverton Almshouse Trust is a registered charity with the objects outlined above (see section 1). The 2014 Scheme gave permission for the charity to have one corporate trustee rather than twelve individual trustees and, as a result, a new company limited by guarantee known as Tiverton Almshouse Trustee Ltd was established to be that sole trustee.

Within the company (the corporate trustee) are the twelve voluntary directors (previously called trustees). The Tiverton Almshouse Trust Scheme provides the corporate trustee with the same powers as before and the Articles of Association provide further provisions. The incorporated structure is more recognisable to banking and commercial sectors and provides directors with increased indemnity protection.

The directors have a term of appointment of five years. directors can be re-appointed and there is no maximum number of terms for re-appointment. Instead, directors due for retirement on the rotation basis are interviewed by the Recruitment Sub-committee under an agreed procedure which remains the same for all directors.

A set series of seven questions probing the interviewee's commitment to the charity and its purpose, the time available for the necessary workload, the skills that can be brought to the board and the individual's hopes and aspirations for the charity for the next five years are all discussed in depth and reported back to the board at the AGM when re-appointments are decided. In this way the board can retain committed and energetic directors regardless of their length of term.

Prior to appointment and re-appointment directors must sign the Charity Commission's Declaration of Eligibility to serve. At each meeting of the board and the sub-committees, all potential, real and perceived conflicts of interest, loyalty and perception are declared, recorded and discussed. In the event of a conflict or likelihood of a conflict the director in question is asked to leave the room at the appropriate time or refrains from voting on the matter in question.

There are currently the nine of the twelve permitted directors under the Articles of Association. The board considers that it has the necessary skills and attributes without actively seeking an additional director. The internal audit of the board takes place at the AGM in May.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2022

Directors

Name	Position	Date appointed/resigned	Skills and experience
John A Pulford	Chair	Reappointed 14 May 2019	Retired Local Government Officer
Brenda Stanley	Director	Reappointed 12 May 2020	Retired Businesswoman
Michael H C Biggin	Director	Reappointed 12 May 2020	Retired Finance Manager
Janice A Hutchinson	Director	Resigned 17 May 2022	Retired Teaching Assistant
John N Rendle	Director	Reappointed 8 May 2018	Businessperson
David H Hamer	Director	Resigned 17 May 2022	Retired Chaplain
Diana R Hewitt	Director	Appointed 21 May 2021	Retired Director of Corporate Services
Roger M Stickland	Director	Appointed 6 July 2021	Retired Head of IT Services
Brian C Berry	Director	Appointed 26 July 2021	CEO Federation of Master Builders

Nominated directors appointed by Tiverton Town Council:

Wallace Burke	Director	Re-nominated 14 May 2019	Town Councillor
Claudette Harrower	Director	Re-nominated 14 May 2019	Town Councillor

Office of the Trust

The office of the Tiverton Almshouse Trust is: The Market House, 18 Bampton Street, Tiverton, Devon EX16 6AA.

Trust Staff

D Woodward	Chief Executive
L Knight/N Anderson	Finance Administrator
N Askew	Housing Manager
D Cruse	Property Manager
H Evans	Secretary/Receptionist
L Murphy	Administrator
G Strong	Maintenance Officer
M Pike	Housekeeper/Cleaner

Resident Wardens

M Steed	Resident Warden, John Greenway Close
E Kerrigan	Resident Warden, Greenway Gardens

Advisors to the Trust

Auditors:	PKF Francis Clark, Centenary House, Exeter, Devon
Accountants:	William Withers & Co., Quayside House, Tiverton, Devon
Bankers:	Unity Trust Bank, 9 Brindley Place, Birmingham
Solicitors:	Ashfords, Gotham House, Tiverton, Devon
Investment advisors:	Investec Wealth & Investment, Keble House, Southernhay Gardens
	Stafford House Investments, Aintree House, Taunton
Exeter Commercial surveyors:	Stratton Creber, 20 Southernhay West, Exeter
	Avlson Young, One Kingsway, Cardiff
Property Surveyors:	Assinder Turnham, 6/7 Southernhay West, Exeter

Structure of the Trustee's Board of Directors

The board of directors comprises of an elected chairman who are voted a year of office at the AGM held every May. The board of directors meets quarterly each year at the Trust's offices where possible and by video call. No business may be transacted at a board meeting unless four directors are present as a quorum.

In addition, there are four sub-committees:

1. Finance and property which meets quarterly.
2. Residents' services and well-being which meets quarterly.
3. Audit and risk which meets quarterly.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2022

4. Remuneration and recruitment which meets between November and May each year prior to the retirement by rotation at the AGM and as necessary when a director vacancy arises or before salaries are reviewed.

Following the incorporation, directors approved a governance policy covering the way business is transacted within the sub-committees and within the main board in line with the Articles of Association. The governance policy was reviewed in April 2021.

Director Vacancies

Vacancies for nominated directors are filled by Tiverton Town Council held in accordance with the ordinary practice of the Town Council. They elect two councillors as their representatives on the Trust's board and the term is for four years.

The Articles allow for retirement by rotation meaning that at each AGM one-fifth of the elected directors retire from office. Retiring directors can re-apply for another term and will be asked to meet with the Recruitment Sub-Committee prior to the AGM to discuss their application (see above and below).

The approved policy for recruiting new directors is to advertise following a skills audit of the board and includes provisions for appointment, declarations and managing conflicts of interest/loyalty.

Once appointed, the new director is encouraged to visit all the almshouse sites (if they have not already done so) accompanied by the CEO or Housing Manager. In addition, the new director is invited to sit as an observer on all committee meetings for a period of at least six months to enable them to become familiar with workings of the Trust and the day-to-day issues. After the six-month induction, the new director is encouraged to participate within one or more committees when appointments are made at the AGM.

Appointment and Training of staff

Members of staff are appointed in accordance with the approved policy. Remuneration of all staff is reviewed on an annual basis and increases are based upon a comparison with public sector and private sector pay settlements. When available more specific comparisons are made with other almshouse or housing charities of the same size and operation. A rolling programme of training is operated including fire procedures, cyber security, health and safety risk assessments, food hygiene, first-aid, working at height, safeguarding, lone-working, mental health awareness and data protection. The Almshouse Association provides the most relevant and practical forum for directors and staff training.

Applying the Charities Code of Governance 2020

The corporate trustee has considered, in detail, the best practice guidelines within the Code. There is an obligation upon charities to apply the Code or explain why they have not.

Some guidelines are not applied for good reason. Contracts with local sub-contractors undertaking small-scale routine maintenance work are kept as verbal contracts in the interest of speed, efficiency, and experience of comparative costs.

Regarding director appointments, the corporate trustee considers that a restriction on length of term would not be in the best interest of the organisation for the following reasons:

- i. There is a robust written procedure on trustee appointments that takes a pragmatic view of the size of Tiverton and the availability of volunteer directors.
- ii. Each director has a peer review at the end of their term with set questions relating to the skills, time and level of commitment they can give to the Trust. Responses are considered by the Recruitment Committee (which consists of different members each year) and a recommendation is made to the Board at the AGM.
- iii. Past experience has shown that professionals appointed as directors can lead to conflicts of interest and loyalty given the size of the town.
- iv. Consistency and local knowledge are highly valued by directors.
- v. Directors consider that it is not the length of term but the added value and input a director can give to the Trust that is important.
- vi. In the event of a vacancy, directors would be willing to be flexible and adapt current meeting arrangements to ensure a diverse board.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2022

Applying the Value for Money Standard 2018

Tiverton Almshouse Trust is a registered social provider and, as such, published annual evidence within these statutory accounts to enable stakeholders to understand our performance as compared with the metrics set out by the regulator, compare those to our peer group and address any areas of underperformance.

Tiverton Almshouse Trust is a member of the Acuity Benchmarking Group for small social housing providers and our second annual benchmarking report has recently been submitted. Improvements we have made in collecting and collating our data this year has increased the accuracy of the submitted figures.

The Trust scored very highly in terms of resident satisfaction and repairs performance. Our management of voids, regarding costs and the time to turn these around, were at the lower end of the median but it was clear that there were some differences in how organizations accounted for this element of the process.

Our WMC collection and arrears were below the average and our spend per property is in line with similar costs across comparable organisations.

The Trust's repairs and maintenance costs are above the average in some cases as are our overheads but when considered as a proportion of our turnover, it returns the Trust to the median line.

Our Major and Cyclical works are high compared to other organisations in part due to which type of services are considered Cyclical by different organisations; the Trust has recorded the Tunstall emergency call system as cyclical for example.

The standard refers to activities across the board and includes activities relating to the Trust's investment properties where relevant.

There are seven metrics within the standard:

1. **Reinvestment** (the scale of investment into existing housing, acquisition or development of new housing in relation to the size of the asset base). This metric looks at the investment in properties as a percentage of the value of total properties held. The Trust did not acquire or develop any new housing in 2022 and currently operates 84 social housing units. The measure for The Trust in 2022 is 7.11% (2021: 3.53%). In both years the expenditure on existing properties has been a combination of programmed installation of windows, external painting, refurbishments of bathrooms to shower rooms and a rolling programme of repairs. The section on Maintenance of Almshouses contains further detail.
2. **New supply delivered** (units acquired or developed in the year as a proportion of existing housing stock). Given there were no additional units acquired the measure is zero (2021: zero).
3. **Gearing** (Proportion of borrowing in relation to the size of the asset base). The Trust's borrowing relates to a mortgage taken out when the 2004 new development of 32 houses was built. The loan is valued at £548,915 at 31 December 2022 representing a gearing of 13.24% (2021: 14.35%). The board continues to review annually the financial benefits of paying off part of the mortgage that is unfixed versus the interest and return on investments.
4. **Earnings before Interest, tax, depreciation and amortisation major repairs included** (Indicates liquidity and investment capacity). The EBITDA MRI interest cover seeks to measure the level of surplus that is generated compared to interest payable. The Trust's measure for 2022 is negative 788.29% (or 7.883 times). 2021: 220.52% (or 2.205 times).
5. **Social housing cost per unit** The Trust's social housing cost per unit for 2022 was £3,794, (2021: £1,914) the applicable costs related to management, repairs and maintenance and service costs which was higher in 2022 due to works to replacing windows, kitchens, bathrooms and upgrading works.
6. **A Operating Margin % (Social Housing Lettings Only)** demonstrates the profitability of operating assets before exceptional expenses are taken into account. In calculating this only operating costs directly attributable to social housing costs have been included, the margin for the Trust for 2022 was 15.91% (2021: 36.84%).

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2022

B Operating Margin % (Overall) as above however including all operating costs against social housing income and rents receivable from investment properties the margin for the Trust for 2022 was negative 30.7% (2021: 1.89%). The Trust's total expenditure (note 4) has increased compared to 2021.

7. Return on capital employed % (ROCE) the metric compares the operating surplus to total assets less current liabilities, the Trust's ROCE for 2022 was negative 1.86% (2021: 0.69%).

Managing Risk

The Corporate Trustee regularly reviews the potential risks to the Association and aims to take a balanced and proportionate view. Professional advice is taken where necessary and regularly.

Where decisions are taken to commit significant financial resources, the financial return is considered along with the social investment return and the furtherance of the charitable objectives.

Nevertheless, the corporate trustee is acutely aware of the potential risks facing the Trust and a rigorous system of checks and balances is in place and reviewed regularly. A detailed risk register serves to prioritise governance, operational, compliance and external factors that pose the greatest concern and a management plan is enforced to reduce exposure. Greatest risks can be grouped according to residual risk priority and summarised as follows in order of concern:

- i. Regulatory and Statutory
 - a. Changes in government policy leading to reduced income, increased regulation and therefore increased expense and staff time.
 - b. Maximising the positive impact upon beneficiaries but ensuring this is within the parameters of the Charity's objects.
 - c. Governance matters that arise from a small staff team (such as dependence on key staff).
 - d. Recognising the potential for conflicting interests and loyalties given the directors within the corporate trustee are local lay people with numerous local connections and local businesses.
 - e. Reducing the possibility of unknown changes in legislation and regulation (sometimes originating in indirect departments).
- ii. Specific risk mitigation measures relevant to the Financial Statement:
 - a. Fraud: Day-to-day administration procedures are undertaken to reduce the risk of fraud and certain functions (such as payroll) are outsourced. Internal financial reviews are undertaken as good practice, also a Fraud Policy and Fraud Response Plan was implemented to the robust list of policies and procedures already in place.
 - b. Loss of Income (Property): Measures are taken to minimise almshouse voids (see report above) by advertising and maintaining close working relationships with local organisations and the local authority. Commercial rent levels have dropped in recent years due to the uncertain economic climate preceded by a recession, but staff strive to ensure good working relationships with commercial tenants, keep the properties in good working order and keep close monitoring of rental payments to minimise the risk of arrears and to maintain continuity of tenants.
 - c. Loss of Income (other assets): An annual investment review is held every November and monitored every two months by the Finance & Property Committee.

An approved Investment Policy is reviewed every year. Discretionary power has been given to the Trust's brokers who manage the largest portfolio, other investment providers are managed funds or deposit accounts. The corporate trustee aims for a wide variety of deposit accounts balancing long term and short-term investments and, as far as reasonably possible, invests no more than the maximum cover provided by the Financial Services Compensation Scheme.
 - d. Unforeseen Property Repair Costs: Quinquennial surveys are commissioned, and the results incorporated into a rolling programme of maintenance within the budget forecast. Unforeseen works are therefore restricted to extraordinary events (such as flooding because of a leak) and usually covered by insurance. Routine maintenance is seen as a core activity.

The chief executive is responsible for the day-to-day management of health and safety matters and directors are also aware of their statutory duties under legislation through regular sub-committees. Risk assessments are carried out annually by the Property and Housing Managers. Fire risk assessments are carried out annually by the Property Manager and Housing Manager.

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2022**

A comprehensive list of policies and procedures is reviewed on a one - three-year rolling programme or because of changing legislation or best practice guideline, whichever is the soonest. Regular staff meetings ensure that new procedures are implemented.

Meetings with residents are held annually where matters of health and safety are discussed and reinforced, including the procedure in the event of a fire. A fire drill is held annually.

Residents are encouraged to ask questions and provide feedback verbally, or in writing or through our suggestion boxes on site. The chief executive sends an annual report to all residents with the results from the residents' satisfaction survey. The Chief Executive holds a residents' forum each month on both of the large almshouse sites for residents to individually ask questions and give their feedback. Staff meetings for office employees, including line managers happen as frequently as possible.

Directors and staff remain vigilant on matters of risk and continue to seek advice and updates from legal bodies, the Charity Commission, the Social Housing Regulator, and the Almshouse Association.

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2022**

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

- The corporate trustee of the charity which held office at the date of approval of these Financial Statements as set out above, confirms, so far as it is aware, that:
 - there is no relevant audit information of which the charity's auditors are unaware; and
 - it has taken all the steps that it ought to have taken as corporate trustee in order to make itself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

- Approved at a meeting of the corporate trustee held on.....9th May 2023

- Signed on its behalf by:

- Mr J Pulford – Director (Chairman)

- Mrs D Woodward (Chief Executive)

D. Woodward

**TIVERTON ALMSHOUSE TRUST
STATEMENT ON INTERNAL CONTROL SYSTEMS
YEAR ENDED 31 DECEMBER 2022**

The corporate trustee is responsible for maintaining a sound system of internal control which:

- focuses on the significant risks that threaten the organisation's ability to meet its objectives; and
- provides reasonable assurance of the safeguarding of assets.

The corporate trustee is also responsible for reviewing the effectiveness of the system of internal control.

The internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the charity is ongoing. This process has been in place for the year ended 31 December 2022 and up to the date of approval of the corporate trustee's report and financial statements and is regularly reviewed by the corporate trustee.

Experienced and suitably qualified management staff take responsibility for important business functions. Appraisal procedures have been established to maintain the standards of performance.

All significant new initiatives, major investments and investment projects are subject to formal authorisation procedures, through the Finance and Property Committee and/or the board.

The Property and Finance Sub Committee reviews reports from senior staff on behalf of the Board and from the external Accountants and separate Auditors to provide assurance that control procedures are in place and are being followed. The Property and Finance Sub Committee informs the Board in this regard on a regular basis.

Procedures have been established for instituting appropriate action to correct weaknesses identified from the above report.

**TIVERTON ALMSHOUSE TRUST CORPORATE TRUSTEES'
RESPONSIBILITIES STATEMENT
YEAR ENDED 31 DECEMBER 2022**

The Charities Act 2011 and registered social housing legislation require the corporate trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its income and expenditure for that period.

In preparing these financial statements, the corporate trustee is required to:

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

The corporate trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022. The corporate trustee has general responsibility for taking reasonable steps to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST

Opinion

We have audited the financial statements of Tiverton Almshouse Trust for the year ended 31 December 2022 which comprise the Statement of comprehensive income (including income and expenditure account), Statement of financial position, Statement of changes in equity and reserves, Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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, including its income and expenditure, for the year then ended;
- and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022

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 director'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 year of at least twelve months from when the original financial statements were authorised for issue.

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

Other information

The corporate trustee is responsible for the other information. The other information comprises the information included in the report of the corporate trustee, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST (CONTINUED)**

Opinion on other matter prescribed by the Charities Act 2011

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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 requires us to report to you if, in our opinion:

- the information given in the corporate trustee's report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of corporate trustee

As explained more fully in the Corporate Trustee's Responsibilities Statement (set out on page 16), the corporate trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporate trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the corporate 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 corporate trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Based on our understanding of the Trust and nature of the business, we identified the principal risks of non-compliance with laws and regulations as being those which have a direct impact on the preparation of the financial statements, such as The Charities Act 2006, and relevant tax legislation (VAT etc.), as well as legislation governing responsibilities as a social housing landlord. We considered the extent to which non-compliance with these laws and regulations may have a material effect on the financial statements.

**INDEPENDENT AUDITOR'S REPORT
TO THE CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST (CONTINUED)**

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Based on this understanding we designed our audit procedures to identify irregularities. Our procedures involved the following:

- Enquiries of those charged with governance, regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements;
- Review of minutes of meetings of those charged with governance;
- Evaluation of the effectiveness of management's controls designed to prevent and detect irregularities including those applicable to social housing landlords;
- Challenging assumptions and judgements made by management in its significant accounting estimates;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Charity's corporate trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Charity's corporate trustee those matters we are required to state to the corporate trustee 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's corporate trustee as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Francis Clark

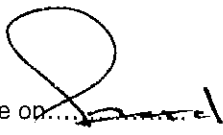
PKF Francis Clark, Statutory Auditor

Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE
Date: *9 May 2023*

PKF Francis Clark is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

TIVERTON ALMSHOUSE TRUST
STATEMENT OF COMPREHENSIVE INCOME (INCLUDING
INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED
31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	2	782,317	759,795
Less: Operating costs	4	<u>1,022,481</u>	<u>765,498</u>
Operating deficit	5	(240,164)	(5,703)
Income from fixed asset Investments		33,558	29,334
Interest receivable and similar income	9	6,563	71,171
Interest payable and similar charges	10	(15,031)	(10,762)
Unrealised/realised gains and losses on investments	12	(314,433)	453,485
Revaluation of investment properties		<u>-</u>	<u>(10,000)</u>
Surplus on ordinary activities for the year before tax		<u>(529,507)</u>	<u>527,525</u>
Tax on surplus on ordinary activities		<u>-</u>	<u>-</u>
Surplus / (deficit) for the year after tax		(529,507)	527,525
Total comprehensive income for the year		<u><u>(529,507)</u></u>	<u><u>527,525</u></u>

Signed on behalf of the corporate trustee on 

9.5.23

Mr J Pulford – Director (Chairman)

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF FINANCIAL POSITION YEAR ENDED
31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible fixed assets	11		4,144,378		4,040,000
Investment properties	11		2,856,676		2,856,676
Other fixed assets	11		428,019		428,163
Investments	12		3,491,472		3,797,008
			<u>10,920,545</u>		<u>11,121,847</u>
Current assets					
Debtors	13	57,532		51,375	
Cash at bank and in hand		<u>727,460</u>		<u>1,023,993</u>	
			<u>784,992</u>		<u>1,075,368</u>
Creditors: amounts falling due within one year	14	<u>169,119</u>		<u>104,630</u>	
Net current assets			615,873		970,738
Total assets less current liabilities			11,536,418		12,092,585
Creditors: amounts falling due after more than one year	15		519,511		546,171
			<u>11,016,907</u>		<u>11,546,414</u>
Capital and reserves					
Permanent endowment	18		8,710,634		8,794,548
Expendable endowment	18		888,707		993,611
Income and Expenditure reserves	17		1,417,566		1,758,255
			<u>11,016,907</u>		<u>11,546,414</u>

These financial statements were approved and authorised for issue by the corporate trustee on

29.5.23

and signed on its behalf by:

Mr J Fulford - Director

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF CHANGES IN EQUITY AND RESERVES
YEAR ENDED 31 DECEMBER 2022

	Permanent Endowment £	Expendable Endowment £	Other Reserves £	Total £	2021 £
At 31 December 2021	8,794,548	993,611	1,758,255	11,546,414	11,018,889
Surplus for year before gains and losses from investments	-	-	(215,074)	(215,074)	84,040
Unrealised/realised gains and losses on investments	(83,914)	(104,904)	(125,615)	(314,433)	453,485
Revaluation of tangible fixed assets	-	-	-	-	(10,000)
Total comprehensive income	(83,914)	(104,904)	(340,689)	(529,507)	527,525
Transfers	-	-	-	-	-
At 31 December 2022	8,710,634	888,707	1,417,566	11,016,907	11,546,414

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF CASHFLOWS
YEAR ENDED 31 DECEMBER 2022

	2022	2021
	Note 23	£
Net cash flow from operating activities	(96,590)	52,102
Cash flow from investing activities		
Rents received from investment properties	-	-
Payments to acquire tangible fixed assets	(185,305)	(6,289)
Proceeds from investments	244,989	26,464
Purchase of investments	(229,499)	-
Interest received	6,383	6,171
Dividends received	33,558	29,334
Net cash flow from investing activities	(129,874)	55,680
Cash flow from financing activities		
Repayment of long-term loans	(45,681)	(43,007)
Net cash flow from financing activities	(45,681)	(43,007)
Net Increase / (decrease) in cash and cash equivalents	(272,145)	64,775
Cash and cash equivalents as at 1 January 2022	1,056,272	991,497
Cash and cash equivalents as at 31 December 2022	<u>784,127</u>	<u>1,056,272</u>
Cash and cash equivalents consist of:		
Cash at bank and in hand	727,460	1,023,993
Cash held as part of investment portfolio	56,667	32,279
	<u>784,127</u>	<u>1,056,272</u>

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General information and basis of preparation

Tiverton Almshouse Trust is incorporated under the Charities Act 2011 and is a Registered Provider of Social Housing in the United Kingdom.

Tiverton Almshouse Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2022, and the Charities Act 2011.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements are prepared in sterling, which is the functional currency of Tiverton Almshouse Trust and rounded to the nearest £.

The registered office is disclosed in the Report of the Corporate Trustee.

Housing properties

Housing properties are principally properties available to beneficiaries of the trust in return for weekly maintenance contributions.

Housing properties are included at deemed cost and are reviewed for impairment at the end of each reporting period.

Investment Properties

Investment properties are principally properties available to tenants of the trust in return for a commercial rent.

Investment properties are included at valuation, representing fair value and at each reporting date any changes in fair value are recognised in the statement of comprehensive income. Professional valuations are undertaken on a 5-year rolling cycle.

Investment properties are reviewed for impairment at the end of each reporting period.

Fixed assets and Depreciation

Other fixed assets are stated at cost, less accumulated depreciation. Depreciation is charged on a straight-line basis at rates anticipated to write off the cost of the asset, at the following annual rates:

Housing & freehold properties	Nil
Computer equipment	33.33% straight line

There is no depreciation charged this year against housing properties or freehold property as the corporate trustee believes the residual values are not lower than the current carrying value in the balance sheet. This opinion is based on the valuation of The Market House offices in 2018 and the valuation work done on the housing properties in 2019. It is the corporate trustee's opinion that the local housing market remained static over the 2022 year, and they will be reviewing this throughout the 2023 financial year.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently they are measured at fair value through the statement of comprehensive income.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2022

Debtors and creditors receivable/payable within one year

Debtors and creditors payable within one year are recorded at transaction price.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs and then subsequently adjusted for principal repayments and interest charged.

Revaluation surpluses and deficits

Where market value is not readily available, the corporate trustee estimates market value. Revaluations of investments are reported in the Statement of Comprehensive Income.

Leased Assets

Rentals payable under operating leases are charged to the income and expenditure account on a straight-line basis over the period of the lease.

Government grants

A social housing grant was received back in 2004 as a contribution towards the capital cost. The grant was previously deducted from the cost of the housing properties. However, as the housing properties are accounted for using the valuation model, grants should now be accounted for using the performance model which means that grants are recognised as income once the performance conditions have been met. This change has not altered the overall value of reserves.

Current Taxation

No taxation is payable by the charity, since it has charitable status and its activities are exempt from tax.

Value Added Tax

Irrecoverable VAT which can be attributed to capital items or revenue expenditure is added to the cost of the capital item or expenses where practicable and material.

Pension Costs

The charity operates a defined contribution scheme for the benefit of its employees. The costs of contributions are written off through the income and expenditure account in the year they are payable.

Dilapidations

Monies receivable in respect of dilapidations are generally not accounted for until they can be determined with reasonable accuracy.

Turnover

Turnover is measured at the fair value of the consideration received or receivable.

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from almshouse voids.

Interest and dividends receivable

Interest and dividend income is recognised as Tiverton Almshouse Trust's right to receive payment is established.

Key judgements and estimates

The following judgements and estimates have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

The corporate trustee has established a five-year cycle for investment properties to be valued by an external RICS qualified surveyor. In the intervening years the remaining properties are valued by the corporate trustee having regard to all risks, the yield, the strength of the market and comparison with similar properties.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2022

2. TURNOVER

	2022	2021
	£	£
Rents receivable excluding service charges	448,679	427,262
Service charges receivable	104,808	99,507
Rent and service charge losses from voids	(6,250)	(3,789)
Guest room income	1,950	-
Social Housing Turnover	549,187	522,980
Investment property Income	233,130	236,815
	<u>782,317</u>	<u>759,795</u>

3. UNITS IN MANAGEMENT

	2022	2021
Social housing for older people	84	83
Warden accommodation	2	3
	<u>86</u>	<u>86</u>

4. OPERATING COSTS

	Support Costs £	Social Housing £	Investment Properties £	Total 2022 £	Total 2021 £
Estate management costs:					
Wages and salaries	-	28,579	50,000	78,579	101,160
Estate costs					
Repairs and maintenance	-	294,529	22,105	316,634	234,643
Professional fees	-	18,413	64,241	82,654	54,683
Utilities	-	90,718	43,500	134,218	106,871
Insurance	-	9,157	16,789	25,946	25,150
Sundry expenses	-	8,514	5,198	13,712	9,158
Waste	42	7,062	-	7,104	6,762
Cleaning	-	4,823	2,454	7,277	6,923
Administrative costs					
Wages and salaries	209,003	-	-	209,003	163,583
Staff costs	2,688	-	-	2,688	90
Office running costs	31,884	-	-	31,884	25,512
Audit services	4,158	-	-	4,158	3,780
Accountancy services	10,238	-	-	10,238	8,324
COVID19 expenses	307	-	-	307	2,078
PI insurance	578	-	-	578	578
Subscriptions	5,684	-	-	5,684	3,042
Bank charges	894	-	-	894	908
Depreciation	3,071	-	-	3,071	2,104
Profit/loss on disposal	78,000	-	-	78,000	-
Investment mgm't fees	9,852	-	-	9,852	10,149
	<u>356,399</u>	<u>461,795</u>	<u>204,287</u>	<u>1,022,481</u>	<u>765,498</u>
Apportionment	<u>(356,399)</u>	<u>225,602</u>	<u>130,797</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>687,397</u>	<u>335,084</u>	<u>1,022,481</u>	<u>765,498</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2022

5. OPERATING DEFICIT

	2022	2021
	£	£
Operating deficit is stated after charging:		
Operating leases - other assets	<u>1,524</u>	<u>1,524</u>

6. AUDITORS' REMUNERATION

	2022	2021
	£	£
Audit services	4,158	3,780
	<u>4,158</u>	<u>3,780</u>

7. BOARD OF DIRECTORS OF THE CORPORATE TRUSTEE AND KEY MANAGEMENT PERSONNEL REMUNERATION

	2022	2021
	£	£
The aggregate emoluments payable to key management personnel excluding employer pension contributions	78,579	70,540

The chief executive is not a member of the charity's defined contribution pension scheme. However, the charity makes contributions to their personal pension plan. During the period the total amount contributed to the personal pension was £5,170 (2021: £5,032).

The Board of Directors of the corporate trustee received no expenses or remuneration in the year.

8. EMPLOYEE INFORMATION

	2022	2021
The average number of persons employed during the year expressed in full time equivalents (16 hours or more per week) was:		
Office staff	6	5
Wardens, cleaners and handyman	<u>4</u>	<u>4</u>
	<u>10</u>	<u>9</u>
	£	£
Staff costs (for the above persons)		
Wages and salaries	254,137	233,130
Employer's National Insurance Contributions	19,057	17,800
Other pension costs	<u>14,388</u>	<u>13,813</u>
	<u>287,582</u>	<u>264,743</u>

During the year one employee earned more than £60,000 (2021: one employee).

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2022

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022 £	2021 £
Interest received	6,383	6,171
Miscellaneous Income	180	65,000
	<u>6,563</u>	<u>71,171</u>

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2022 £	2021 £
Mortgage interest	15,031	10,762
	<u>15,031</u>	<u>10,762</u>

11. TANGIBLE FIXED ASSETS

	Housing Properties £	Investment Properties £	Freehold Property £	Computer Equipment £	Total £
COST OR VALUATION					
At 1 January 2022	4,040,000	2,856,676	425,000	15,264	7,336,940
Additions	182,378	-	-	2,927	185,305
Disposals	(78,000)	-	-	-	(78,000)
At 31 December 2022	<u>4,144,378</u>	<u>2,856,676</u>	<u>425,000</u>	<u>18,191</u>	<u>7,444,245</u>
DEPRECIATION					
At 1 January 2022	-	-	-	12,101	12,101
Charge for year	-	-	-	3,071	3,071
At 31 December 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,172</u>	<u>15,172</u>
NET BOOK VALUE					
At 31 December 2022	<u>4,144,378</u>	<u>2,856,676</u>	<u>425,000</u>	<u>3,019</u>	<u>7,429,073</u>
At 31 December 2021	<u>4,040,000</u>	<u>2,856,676</u>	<u>425,000</u>	<u>3,163</u>	<u>7,324,839</u>

HOUSING PROPERTIES

Housing properties includes freehold land and buildings, which are included at deemed cost of £3,962,000 (historic cost: £4,210,895).

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2022

Expenditure on works to existing properties	2020	2019
	£	£
Amounts charged to income and expenditure account	228,879	238,598
	<u>228,879</u>	<u>238,598</u>

INVESTMENT PROPERTIES

The corporate trustee has established a five-year cycle for investment properties to be valued by an external RICS qualified surveyor.

For the 2022 year, all investment properties held were valued by the corporate trustee on the basis of fair value as at 31 December 2022.

Valuation is represented by:	2022	2021
	£	£
Historical cost	296,927	296,927
Revaluation	2,559,749	2,559,749
	<u>2,856,676</u>	<u>2,856,676</u>
Revaluation:	2022	2021
	£	£
Balance as at 31 December 2021	2,559,749	2,566,487
Net of additions and transfers	-	3,262
Revaluation	-	(10,000)
Balance as at 31 December 2022	<u>2,559,749</u>	<u>2,559,749</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2022

12. INVESTMENTS HELD AS FIXED ASSETS

(Financial assets measured at fair value through the surplus/ (deficit))

	2022 £	2021 £
MARKET VALUE OF LISTED INVESTMENTS		
At 31 December 2021	3,797,008	3,359,604
Additions	229,499	-
Disposal proceeds	(244,989)	(26,464)
Realised gains/(losses)	(2,336)	9,332
Unrealised gains/(losses)	(312,097)	444,153
At 31 December 2022	<u>3,467,085</u>	<u>3,786,625</u>
Cash held as part of investment portfolio (movement)	24,387	10,383
	<u>3,491,472</u>	<u>3,797,008</u>
Historical cost	<u>2,603,782</u>	<u>2,592,324</u>

13. DEBTORS – ALL RECEIVABLE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors		
Social housing rent arrears	528	1,655
Social housing utility arrears	-	-
Other	5,575	1,824
	<u>6,103</u>	<u>3,479</u>
Prepayments and accrued income	43,110	41,985
Other debtors	8,319	5,911
	<u>57,532</u>	<u>51,375</u>

14. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Mortgages	29,404	33,395
Trade creditors and rents paid in advance	95,283	20,531
Other creditors and accruals	44,432	50,704
	<u>169,119</u>	<u>104,630</u>

15. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022 £	2021 £
Mortgages	<u>519,511</u>	<u>546,171</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2022

16. MORTGAGES

(Financial liabilities measured at fair value through the surplus/ (deficit)).

	2022 £	2021 £
Analysis of maturity of debt:		
Less than one year or on demand	29,404	33,395
Between one and two years	30,440	33,948
Between two and five years	97,916	105,297
After five years	391,155	406,926
	<u>548,915</u>	<u>579,566</u>

The mortgages mature in July 2037.

Capital is repayable in monthly instalments, which commenced in August 2004. Interest for both loans is calculated based on SONIA and include an Adjustment Spread.

The mortgages are secured on certain freehold housing and investment properties.

17. INCOME AND EXPENDITURE RESERVES

	2021 £	Surplus for year £	Revaluation £	Transferred £	Utilised £	2022 £
Programme of works fund	20,814	-	-	-	(20,814)	-
Extraordinary repair fund	42,833	-	-	992,799	(225,129)	810,503
Cyclical maintenance fund	63,400	-	-	200,095	(194,983)	68,512
Routine works	47,433	-	-	60,527	(56,729)	51,231
Other	1,583,775	(215,074)	(125,615)	(1,253,421)	497,655	487,320
	<u>1,758,255</u>	<u>(147,508)</u>	<u>(125,615)</u>	<u>-</u>	<u>-</u>	<u>1,417,566</u>

Tiverton Almshouse Trust has established a regular programme of works.

Part of other reserves has been earmarked by the corporate trustee for a particular purpose. Such designations may be reversed by future Trustee decisions.

Expenditure is taken through the income and expenditure account. A transfer is then made as appropriate.

18. CAPITAL AND RESERVES

Permanent Endowment

These reserves represent the historic value of the housing and investment properties together with the current value of any other investments that were held at the date of the merger and cash deposited with Standard Life on behalf of Alexandra Lodge Trust as at the date of the merger.

Expendable Endowment

These reserves represent the current value of any investments purchased since the merger.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2022

19. LEASING COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022 £	2021 £
Not later than one year	1,524	1,524
Total	<u>1,524</u>	<u>1,524</u>

20. PENSION COSTS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £9,218 (2021: £8,781).

21. RELATED PARTY TRANSACTIONS

As at the 31 December 2022 two directors of Tiverton Almshouse Trustee Limited were councillors / employees of related Local Authorities.

Any transactions with the Local Authorities were at arms-length on normal commercial terms and these individuals were not able to use their position to their commercial advantage.

22. CONTROL

The ultimate controlling party is the board of directors of Tiverton Almshouse Trustee Limited

23. RECONCILIATION OF OPERATING SURPLUS / (DEFICIT) TO CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Surplus / (deficit) for the year	(529,507)	527,525
Mortgage interest paid	15,031	10,762
Interest received	(6,383)	(6,171)
Dividends received	(33,558)	(29,334)
Depreciation/impairment of tangible fixed assets	3,071	2,104
Realised (gain) / loss on disposal of investments	2,336	(9,332)
Profit/loss on disposal of tangible fixed assets	78,000	-
Unrealised (gains) / loss on investments	312,097	(444,153)
Revaluation on tangible fixed assets	-	10,000
(Increase) / decrease in trade and other debtors	(6,157)	(2,141)
Increase / (decrease) in trade and other creditors	68,480	(7,158)
Net cash flow from operating activities	<u>(96,590)</u>	<u>52,102</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2022

24 ANALYSIS OF CHANGES IN NET DEBT

	2021	Cashflows	Non-cash changes	2022
	£	£	£	£
Long-term borrowings	546,171	-	(26,660)	519,511
Short-term borrowings	33,395	(30,651)	26,660	29,404
Total liabilities	579,566	(30,651)	-	548,915
Cash and cash equivalents	(1,056,272)	272,145	-	(784,127)
Total	(476,706)	241,494	-	(235,212)

Registered Social Landlord number: A1070
Registered Charity number: 206984



Report of the Trustees and Audited Financial Statements
For the Year Ended 31 December 2022
For
TIVERTON ALMSHOUSE TRUST

TIVERTON ALMSHOUSE TRUST

Contents of the Financial Statements FOR THE YEAR ENDED 31 DECEMBER 2022

	Page
Report of the Corporate Trustee	1-13
Statement on internal control systems	14
Corporate Trustees' responsibilities statement	15
Independent Auditor's report	16-18
Statement of comprehensive income (including income and expenditure account)	19
Statement of financial position	20
Statement of changes in equity and reserves	21
Statement of cash flows	22
Notes to the financial statements	23-32

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2022

The Corporate Trustee presents this report with the financial statements of the charity for the year ended 31 December 2022.

INTRODUCTION

The Corporate Trustee is pleased to report that the agreed objectives central to the work of the Tiverton Almshouse Trust of maintaining and improving core charitable activities, planning for the future and delivering a healthy financial position have been satisfied.

Tiverton Almshouse Trust is regulated by the Charity Commission and the Regulator of Social Housing (formerly the Homes & Communities Agency).

This report includes references to the Financial Statements attached and aims to address the regulatory requirements of the Regulator of Social Housing three economic standards: Value for Money, Governance & Financial Viability and the Rent Standard, throughout, as part of the reporting structure.

The total Income this year in 2022 from charitable activities and other income was £822,438 (2021: £860,300). The total expenditure was £1,037,512 (2021: £776,260). The loss on investments was £314,433, which includes an unrealised loss of £312,097 and a realised loss of £2,336. In 2021 there was surplus of £527,525. The deficit for the year 2022 is £529,507. This is due to the loss of Investments and also significant repairs to our listed chapel and replacing timber windows for UVPC windows.

CODE OF GOVERNANCE

The Charities Code of Governance 2020 has been adopted by the Board in line with Charity Commission guidance. Tiverton Almshouse Trust falls between the Code for smaller and larger charities (defined as turnover below and above £1m respectively). The Board aspires to meet the recommendations set out for larger charities whilst maintaining a level of proportionality. The Code is produced by the NCVO, ICOSA, ACEVO, Association of Chairs and the Small Charities Coalition with the oversight of The Charity Commission

1. OBJECTIVES AND ACTIVITIES

The objects of the Tiverton Almshouse Trust in the Scheme made by the Charity Commission dated 10 September 2009 (as amended by the Scheme dated 28 July 2014) are:

- a. the provision of housing accommodation for poor persons not less than 60 years old who have lived in the area of benefit for not less than 2 years prior to the appointment.
- b. such charitable purposes for the benefit of the residents as the Corporate Trustee decides
- c. the relief of persons resident in the area of benefit who are in financial hardship by:
 - i. making grants of money to them; or
 - ii. providing or paying for goods, services or facilities for them; or
 - iii. making grants to other organisations or institutions which provide goods, services or facilities for those in financial hardship.

The use of income and capital must firstly be applied to meet the proper costs of administering the charity and managing its assets (including repair and insurance of its buildings) and to make annual payments into the reserve funds considered necessary in the annual budget.

The remaining income to further the objects of the charity are made in the following order of priority:

- a. the benefit of the residents
- b. the relief of financial hardship of persons living in the area of benefit (which is Tiverton and environs).

The greatest activity within the Trust is the maintenance of its properties. In addition to almshouse accommodation, the Trust also owns investment property in Tiverton.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2022

The board considers that the objects are still relevant to the work of the charity. The popularity of the almshouse accommodation, the low level of voids and the financial security of the organisation means that it achieves, and can sustain, its objectives.

Plans for the future address how those objectives can be taken forward to enable beneficiaries to continue to benefit from the Trust's charitable activities as the government and society shifts to take care of a higher proportion of an ageing and frail older population.

Public Benefit

In carrying out the Trust's aims and objectives and in measuring achievements and performance, the Corporate Trustee has had regard to the Charity Commission's guidance dated February 2014 entitled "Public Benefit: rules for charities". Given that the Trust's objective is the relief of poverty (see objects above) only the benefit aspect of "public benefit" requires satisfying. The Commission specifies that the purpose of the charity must be beneficial in a way that is identifiable and capable of being proved by evidence where necessary and not based on personal views. The most quantifiable measure to identify whether the charity has a benefit to the local population eligible for accommodation is the low level of voids within the almshouses.

Tiverton Almshouse Trust almshouse properties are usually fully occupied with no voids (a void is defined as an empty flat awaiting allocation with no further redecorating or refurbishment required before it is occupied). The National Almshouse Association considers a 5% minimum void rate is acceptable and a void allowance of up to 12.5% may be suitable for small groups of almshouses, given the specific beneficiary group they serve. That would indicate that 4 to 9 of the Trust's properties could be void at any one time. The Trust had no voids throughout the year in 2022 under the above definition.

In line with the Trust's governing scheme 2009, the charity provides housing for local people over 60 years old and in financial need. Through regular advertising, open days, contact with Mid Devon District Council, and local voluntary agencies and local charities such as the Churches Housing Action Trust (CHAT) the Trust reaches a wide audience. The Trust has a list of eligible applicants waiting for accommodation and they are from a wide variety of backgrounds indicating that the Trust is reaching its beneficiary group. Nevertheless, the Corporate Trustee strives to raise the profile of the Trust within the town still further and the Strategic Plan has specific targets for ensuring wider awareness. The rigorous application of a points system ensures each applicant meets the required criteria, enables each applicant to be prioritised primarily based on financial need. The applicant in greatest need at the time a vacancy arises is offered the accommodation regardless of how long they have been known on the list.

During 2022, fifteen vacancies arose (nine in 2021). We were able to carry out significant refurbishment, including replacing kitchens and bathrooms with these larger projects taking on average five weeks to complete. The Trust was able to secure new residents immediately as it maintains a detailed list of eligible local people in need who had been previously interviewed so that they could be offered any vacant almshouses as soon as they were available. In some cases, in flats where minimal work was needed, the turnaround in the flat getting it ready for the new resident was just one week.

Properties

In total there are 84 almshouses, and two units are occupied by two Resident Wardens. The almshouses are on three geographically separate sites within Tiverton, namely:

- (i) Greenway Gardens, King Street
- (ii) Sleees, Angel Terrace
- (iii) John Greenway Close, Gold Street

The accommodation is designed for independent living, as residents get older, the Trust continues to support them for as long as possible and some residents receive third party care packages, social/community services assistance and support from the mental health team as required.

Tiverton Almshouse Trust owns the freehold of several commercial properties in the centre of Tiverton comprising retail and residential flats as well as two office buildings known as Raymond Penny House and John Greenway Building in the centre of town. The Trust also owns two terraced houses in Westex, Tiverton.

Going Concern

After a detailed review and examining major areas which could give rise to significant financial risk, the directors are satisfied that no material exposures exist other than as reflected in these Financial Statements and the Trust has adequate resources to continue its operations for the foreseeable future.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2022

The directors and management team review bi-monthly budgets with our external accountant, which include a minimum forecast 12-month period as well as a programme of works for 5 years. Cash liquidity is monitored through our updated summaries of cash and investments which the board review in detail at Finance & property meetings and at the board meeting quarterly. We have also engaged an independent financial advisor from Stafford House Investments, Andrew Mayne, to produce an annual report to review all our investments in terms of risk. Tiverton Almshouse Trust is not dependent on investment income and market performance.

We receive a steady income from commercial rents and weekly maintenance contributions from our almshouse residents, which meets our annual running costs. Large one-off projects regarding property development and/or significant repairs are reviewed against cash liquidity and available funds, which do not form part of the trusts permanent endowed fund. Five-year quinquennial inspections are carried out by Assinder Turnham on all our properties on a rolling programme, so we can plan for large expenditure required over coming years and factor into our budget if affordable. The board and management team review our reserves and investment policies annually. We review our detailed risk register regularly looking at potential financial risk areas, particularly considering COVID, inflation, interest rate rises and any impacts these would have on the Trust. We apply stress tests to potential risk scenarios related to our almshouse and commercial income and expenditure and how this may affect our budgets and strategic objectives.

2. ACHIEVEMENTS AND PERFORMANCE

Maintaining Properties

The Charity Commission Scheme clearly states that the main object of the charity is to provide almshouses for a specified group of local people. Income and capital must first be used to meet the proper costs of administering the charity and repairing, maintaining and insuring the buildings.

Total expenditure increased by £261,252 to £1,037,512 in 2022. A major factor to this increase is repair costs, which increased by £81,991 compared to the 2021 year. Note 4 to the Financial Statements provides a comparison and more detail is provided below.

In 2022, and in line with the quinquennial surveys, the Trust undertook a budgeted programme of works and cyclical maintenance. All significant contracts for programmed works and significant repair works are put out to tender. The specification and contract administration (including tender administration and reporting) has been undertaken this year by Assinder Turnham, Chartered Surveyors. Minor routine maintenance is undertaken either by the Trust's Maintenance Officer or by one of an approved number of sub-contractors. Quotes are not required for work anticipated to be less than £3,000 to avoid inefficiency and wasted staff time and sub-contractor time. Sub-contractors are required to breakdown labour and parts entries on invoices and, where possible, discounts for regular work are requested and often granted. All invoices are reviewed three times – by the Finance Administrator, the Chief Executive and finally a director before being approved for payment. At the end of the year, all almshouse, residential and commercial properties were fully let apart from one commercial building, where the lease finished after 50 years, in early 2021. We secured planning permission on 26 March 2022 and hoped to be able to develop this building onto two commercial units and 8 almshouse units but due to inflation costs this is being reviewed for current financial viability.

Maintenance of Almshouse Properties

Of the £1,037,512 total operating costs and interest payable in 2022 for all properties (investment properties and almshouses combined) £294,529 was spent on almshouse maintenance by way of programmed works, installation of UPVC windows to 30 properties, a chapel renovation, replacement bathrooms and kitchens, external redecoration and, where necessary redecoration and refurbishment of the fifteen flats that became vacant.

Increased regulation means increased routine checks, which continue to present additional financial cost and staff time. The two most costly regulatory functions relate to legionella prevention and fire safety. The monthly, six-monthly, and annual checks for monitoring water hygiene systems to reduce the risk of legionella cost the Trust £6,616 in 2022 (2021: £5,818).

To routinely check fire detection systems the cost in 2022 was £5,785 (2021 £5,514). Where staff carry out routine checks, but specialist services are more frequently required to fulfil legal obligations. The requirement to meet more robust guidance and regulations in buildings of differing ages and styles means the Trust is reliant on specialist contractors to carry out some of the works. Quotes are invited for these work, and annual contracts are then awarded.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2022

Residents' Satisfaction Survey

The Trust is committed to improving services and to reviewing what are the most prominent issues and priorities for our residents by gathering their valuable feedback. We conduct an annual residents' satisfaction survey, results for 2022 are below compared to 2021 results.

Residents Satisfaction Survey	2022	2021
Satisfaction with overall service	100%	100%
Satisfaction with the overall quality of your home	100%	100%
Satisfaction of feeling safe living in your almshouse	100%	99%
Satisfaction that your weekly maintenance contribution provides value for money	97%	96%
Satisfaction that your utility contribution charge provides value for money	97%	97%
Satisfaction with repairs and maintenance	100%	96%
Satisfaction that Tiverton Almshouse Trust listen to your views and acts upon them	95%	96%

The Trust is a member of a benchmarking group called Acuity to compare the annual costs of running the almshouse properties with similar almshouse charities and small housing associations across the country. Our level of residents' satisfaction scores very favourably with other organisations. We sit just below the median for spend on reactive repairs and just above for cyclical and major repairs. We have introduced cloud-based IT systems, which will help going forward in recording more detailed data for benchmarking.

Investment Property Maintenance

Expenditure on day-to-day maintenance on the Trust's investment properties was significantly less than on almshouse properties, which is to be expected given the tenancy agreements on the former which oblige commercial tenants to keep properties in good and tenable repair. In 2022 the routine and cyclical maintenance expenditure for the Trust on these properties was £22,105 (2021: £91,862), primarily consisting of servicing and general repairs.

Provision of Almshouse Accommodation

Tiverton Almshouse Trust is a social housing provider registered with, and regulated by, the Regulator of Social Housing. The Trust is also a registered charity with the Charity Commission. The main purpose of the organisation is to provide housing to local people over 60 years of age and in financial need. Applications are encouraged from anyone who believes they fulfil the basic three criteria and are scrutinised in line with an internally approved policy which is regularly reviewed (at least every three years) to ensure consistency and relevance (see below).

Two out of our three sites have a Resident Warden. The third site, known as Slees, is a historic building in the town centre comprising three flats. Residents at Slees are not visited regularly by a Resident Warden but the House Manager will visit as necessary. This is because, in general, residents at Slees need to be more independent and mobile due to the restrictive historical layout.

The Resident Warden's remit is to ensure the daily well-being of all residents and although they are not medically trained and do not provide personal care, they assist residents in day-to-day living. Their role can be described as "being a good neighbour". There is a 24-hour emergency call system within Greenway Gardens and John Greenway Close enabling residents to access emergency help at all times of the day and night. The Resident Wardens maintain regular contact with family members when necessary or when a resident is unwell. Resident Wardens also provide a variety of social activities where residents are invited, but are not obliged, to attend. These are held within the Community Room on the two main sites.

There are 4 meetings a year attended by appointed Directors of the residents' services and well-being committee, the Housing Manager and Resident Wardens to discuss resident issues and management of the sites. Directors on this committee review the waiting list for vacant almshouses and are updated on informal chats with new applicants to determine eligibility for almshouse accommodation.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2022

Residents pay a Weekly Maintenance Contribution for their accommodation and a contribution to water supply and gas (Utility Contribution). Weekly Maintenance Contributions (WMC) vary from £94 per week to £123 per week depending on the accommodation that is provided. In addition, all residents pay a £24.98 Utility Contribution based on single occupancy and £31.23 per week based on double occupancy.

The Corporate Trustee aims to keep resident contributions as low as possible considering the rent standard provided by the Regulator of Social Housing (RSH) and equivalent fair rent assessments from the Valuation Office Agency (VOA). The latest VOA assessment was undertaken in 2022. In addition, the Chief Executive consults with Mid Devon District Council on any WMC increase to ensure that those residents who require assistance can access 100% of the rent payment through housing benefit if eligible.

The Corporate Trustee strives to ensure a fair, consistent and transparent process when allocating almshouse accommodation. There is an approved policy within the Trust to advertise in the local newspaper, website. If necessary, maintain regular contact with local support organisations, the Churches Housing Action Trust (CHAT) as well as Devon Home Choice (the bidding portal for local authority housing and housing associations). Adverts are also placed in Mid Devon District Council's reception. All applicants must complete a detailed application form, including a financial information section and be interviewed by the Housing manager and CEO. A points system is in use to ensure consistency. Those applicants placed on the list awaiting allocation are regularly reviewed and applicants are encouraged to keep in touch with the Housing Manager.

A good working relationship with Mid Devon District Council and local housing charities ensures a wide-ranging local awareness of the almshouses as well as video presentations to local groups and articles in local papers. Innovative ways to widen the search for applicants are put in place and once an applicant is accepted in principle a priority weighting system ensures the applicant in greatest need is offered any vacancy first, in accordance with our governing scheme.

The continuing lack of care homes within the town and surrounding means that residents are staying in their homes longer than in previous times. Social care support is now provided at home and hospital admissions generally reserved for emergencies, which means that care agencies and health professionals are frequently on site and we work together in partnership for the benefit of the residents.

Alexandra Lodge

Planning permission was granted in 2015 to The Abbeyfield Society for the redevelopment of Alexandra Lodge, an empty listed house in gardens within the town, for a 45-bed extra-care unit. The freehold of the property is owned by Tiverton Almshouse Trust and, following planning permission, a 250-year lease was signed to The National Abbeyfield Society. Since then, progress has been slow and due to financial issues Abbeyfield may not be able to continue with their plans for this site. Tiverton Almshouse Trust are in communications with Abbeyfield to see the options that they are pursuing to ensure the site is able at some point in the future to be developed by another organisation or a consortium of local organisations to ultimately benefit the people of Tiverton.

Relief of Financial Hardship

The additional objectives of the charity allow for the relief of poverty for local people who are in financial hardship by making grants of money to them or making grants to other organisations or institutions with similar aims. The amount of money donated to achieve this objective is considered by the Corporate Trustee at the AGM each year and the donation may be approved to a local organisation with similar aims. No donations were made in 2022.

3. FINANCIAL REVIEW

The Corporate Trustee reviews its reserves and the non-designated funds and expendable endowment to be used for "the proper costs of administering the charity and of managing its assets" (Charity Commission Scheme September 2009). A Reserves Policy addresses the Expendable Endowment and designates funds to the actions approved in the strategic plan. There are regular reviews of operational risks and requirements, sufficient reserves are maintained to address these requirements.

As stated in the Investment Policy, the objective of the Corporate Trustee in holding investments within a share portfolio is to produce the best financial return and capital growth within an acceptable risk and to balance the income and capital return.

The four risks identified in the report last year still stand, namely:

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2022**

- i. Capital growth not keeping up with inflation thereby leading to a decline in the real value of the investment
- ii. Fluctuating income from share portfolios and deposit accounts due to COVID and the current economic situation
- iii. Bank default
- iv. The unknown effect of the current financial economic situation

To limit the above risks the board has delegated certain decisions to the Finance & Property Committee (which consists of over half of the board's number) including allowing those members to re-invest maturing funds subject to the current Financial Services Compensation Scheme Limit. This allows decisions to take advantage of available investment offers (especially fixed rate bonds open for a short time) by acting in a timely manner. All investments, apart from those held within share portfolios, are monitored at every sub-committee meeting.

Shareholding portfolios are managed by professional brokers and/or fund managers and an annual review is undertaken at the November board meeting of the Corporate Trustee. An external investment review takes place annually.

The Corporate Trustee has considered ethical investments in line with ensuring that investments are not made into companies with opposite values from that of the Trust and has therefore put restrictions on investing in any fund that is linked to the production or sale of Tobacco.

It also considered companies who seek to make people homeless, however, this would be difficult to monitor and enforce. It was decided not to impose this ethical restriction. The Corporate Trustee accepts that the ethical values of individual directors must not compromise policy decisions.

The Statement of Comprehensive Income, and supporting note 2, shows that income received from almshouse residents' weekly contributions (including service charges) has increased by £15,167 (3.5%), primarily as a result of the annual review of charges in April. The Corporate Trustee is mindful of maximising income (for the charity's future sustainability) commensurate with fulfilling the Charity Scheme objective to ensure no resident suffers financial hardship.

Operating costs (note 4) show some changes from the previous year. Overall wage costs are up by £22,839 compared to 2021, the increase is as a result of cost-of-living wage increases and performance related pay paid to staff during the year and a new staff post created in the team.

The income from fixed asset investments (shareholdings and deposits) increased by £4,224 over the year mainly due to the continued volatile market caused by the war in Ukraine. The portfolio of investments is valued in 2022 at £3,491,472 (2021: £3,797,008).

The annual total return on the managed portfolio is reflected in Note 12, with realised and unrealised loss of £314,433 (2021: £453,485 gain).

Rents receivable from investment properties have decreased marginally to £233,130, compared to the 2021 year (£236,815).

Professional valuations are undertaken on our commercial and residential investment properties, on a five-year rolling programme. This year, no formal valuations were carried out, and instead informal valuations were undertaken by the corporate trustee in 2022 on the almshouse and investment properties and they are kept at 2021 levels. Almshouse properties are included under the cost model and do not form part of the annual valuation cycle.

Permanent endowment (identified as investment properties, housing properties and other investments agreed as such by the Charity Commission as part of their investigations prior to the merger in 2009) has decreased from £8,794,548 to £8,710,634, reflecting the unrealised loss on investments.

Other Reserves of £1,417,566 shown in the Statement of Financial Position are identified in note 17 and split into:

1. The Extraordinary Repair Fund (ERF) which allows for unforeseen expenditure necessary to carry out the Trust's objectives. It also includes Programmed Works, which are based on the five-year budget forecast, the quinquennial surveys and conditions surveys that are carried out for the Trust on a regular basis to ensure that there is a rolling programme of maintenance.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2022

2. The Cyclical Maintenance fund reflects expenditure on work to maintain properties that is undertaken every so often on a regular, but not annual, basis, such as redecorating almshouses when a resident moves out.
3. Routine works include routine maintenance of the Trusts properties to ensure they remain safe, secure and fit for purpose.

The mortgage debt for the 2004 development of thirty-two new almshouses at John Greenway Close remains the single largest financial commitment. The financial statements show the annual interest payment for the year £15,031 and reduction in the value of the outstanding mortgage of from £579,566 (2021) to £548,915 in 2022.

The mortgage is held in two separate accounts, one fixed until 2032 and one variable allowing just over half of the sum owing to be paid off at any time should directors deem prudent to do so.

4. **PLANS FOR THE FUTURE**

A new three-year strategic plan is now in place for 2022-2025 with the following objectives:

- Maintain – to ensure residents are provided with good quality homes.
- Develop & collaborate – to develop more quality homes in Tiverton for older people in need, independently as a Trust or with potential partners.
- Profile – to raise the Trust's profile, ensuring there is an awareness of what we offer to benefit older people locally.
- Investment – to invest in the Trust's properties, staff, and technology to ensure the Trust is as efficient and sustainable as possible to secure its future.

5. **CHARITY STRUCTURE, GOVERNANCE AND MANAGEMENT**

Tiverton Almshouse Trust is regulated by The Charity Commission and the Regulator of Social Housing (formerly the HCA). Under the latter, it is classed as a Registered Provider of social housing. In 2014 a new Charity Commission Scheme changed the way the Trust was governed. Tiverton Almshouse Trust is a registered charity with the objects outlined above (see section 1). The 2014 Scheme gave permission for the charity to have one corporate trustee rather than twelve individual trustees and, as a result, a new company limited by guarantee known as Tiverton Almshouse Trustee Ltd was established to be that sole trustee.

Within the company (the corporate trustee) are the twelve voluntary directors (previously called trustees). The Tiverton Almshouse Trust Scheme provides the corporate trustee with the same powers as before and the Articles of Association provide further provisions. The incorporated structure is more recognisable to banking and commercial sectors and provides directors with increased indemnity protection.

The directors have a term of appointment of five years. directors can be re-appointed and there is no maximum number of terms for re-appointment. Instead, directors due for retirement on the rotation basis are interviewed by the Recruitment Sub-committee under an agreed procedure which remains the same for all directors.

A set series of seven questions probing the interviewee's commitment to the charity and its purpose, the time available for the necessary workload, the skills that can be brought to the board and the individual's hopes and aspirations for the charity for the next five years are all discussed in depth and reported back to the board at the AGM when re-appointments are decided. In this way the board can retain committed and energetic directors regardless of their length of term.

Prior to appointment and re-appointment directors must sign the Charity Commission's Declaration of Eligibility to serve. At each meeting of the board and the sub-committees, all potential, real and perceived conflicts of interest, loyalty and perception are declared, recorded and discussed. In the event of a conflict or likelihood of a conflict the director in question is asked to leave the room at the appropriate time or refrains from voting on the matter in question.

There are currently the nine of the twelve permitted directors under the Articles of Association. The board considers that it has the necessary skills and attributes without actively seeking an additional director. The internal audit of the board takes place at the AGM in May.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2022

Directors

Name	Position	Date appointed/resigned	Skills and experience
John A Pulford	Chair	Reappointed 14 May 2019	Retired Local Government Officer
Brenda Stanley	Director	Reappointed 12 May 2020	Retired Businesswoman
Michael H C Biggin	Director	Reappointed 12 May 2020	Retired Finance Manager
Janice A Hutchinson	Director	Resigned 17 May 2022	Retired Teaching Assistant
John N Rendle	Director	Reappointed 8 May 2018	Businessperson
David H Hamer	Director	Resigned 17 May 2022	Retired Chaplain
Diana R Hewitt	Director	Appointed 21 May 2021	Retired Director of Corporate Services
Roger M Stickland	Director	Appointed 6 July 2021	Retired Head of IT Services
Brian C Berry	Director	Appointed 26 July 2021	CEO Federation of Master Builders

Nominated directors appointed by Tiverton Town Council:

Wallace Burke	Director	Re-nominated 14 May 2019	Town Councillor
Claudette Harrower	Director	Re-nominated 14 May 2019	Town Councillor

Office of the Trust

The office of the Tiverton Almshouse Trust is: The Market House, 18 Bampton Street, Tiverton, Devon EX16 6AA.

Trust Staff

D Woodward	Chief Executive
L Knight/N Anderson	Finance Administrator
N Askew	Housing Manager
D Cruse	Property Manager
H Evans	Secretary/Receptionist
L Murphy	Administrator
G Strong	Maintenance Officer
M Pike	Housekeeper/Cleaner

Resident Wardens

M Steed	Resident Warden, John Greenway Close
E Kerrigan	Resident Warden, Greenway Gardens

Advisors to the Trust

Auditors:	PKF Francis Clark, Centenary House, Exeter, Devon
Accountants:	William Withers & Co., Quayside House, Tiverton, Devon
Bankers:	Unity Trust Bank, 9 Brindley Place, Birmingham
Solicitors:	Ashfords, Gotham House, Tiverton, Devon
Investment advisors:	Investec Wealth & Investment, Keble House, Southernhay Gardens
	Stafford House Investments, Aintree House, Taunton
Exeter Commercial surveyors:	Stratton Creber, 20 Southernhay West, Exeter
	Avlson Young, One Kingsway, Cardiff
Property Surveyors:	Assinder Turnham, 6/7 Southernhay West, Exeter

Structure of the Trustee's Board of Directors

The board of directors comprises of an elected chairman who are voted a year of office at the AGM held every May. The board of directors meets quarterly each year at the Trust's offices where possible and by video call. No business may be transacted at a board meeting unless four directors are present as a quorum.

In addition, there are four sub-committees:

1. Finance and property which meets quarterly.
2. Residents' services and well-being which meets quarterly.
3. Audit and risk which meets quarterly.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2022

4. Remuneration and recruitment which meets between November and May each year prior to the retirement by rotation at the AGM and as necessary when a director vacancy arises or before salaries are reviewed.

Following the incorporation, directors approved a governance policy covering the way business is transacted within the sub-committees and within the main board in line with the Articles of Association. The governance policy was reviewed in April 2021.

Director Vacancies

Vacancies for nominated directors are filled by Tiverton Town Council held in accordance with the ordinary practice of the Town Council. They elect two councillors as their representatives on the Trust's board and the term is for four years.

The Articles allow for retirement by rotation meaning that at each AGM one-fifth of the elected directors retire from office. Retiring directors can re-apply for another term and will be asked to meet with the Recruitment Sub-Committee prior to the AGM to discuss their application (see above and below).

The approved policy for recruiting new directors is to advertise following a skills audit of the board and includes provisions for appointment, declarations and managing conflicts of interest/loyalty.

Once appointed, the new director is encouraged to visit all the almshouse sites (if they have not already done so) accompanied by the CEO or Housing Manager. In addition, the new director is invited to sit as an observer on all committee meetings for a period of at least six months to enable them to become familiar with workings of the Trust and the day-to-day issues. After the six-month induction, the new director is encouraged to participate within one or more committees when appointments are made at the AGM.

Appointment and Training of staff

Members of staff are appointed in accordance with the approved policy. Remuneration of all staff is reviewed on an annual basis and increases are based upon a comparison with public sector and private sector pay settlements. When available more specific comparisons are made with other almshouse or housing charities of the same size and operation. A rolling programme of training is operated including fire procedures, cyber security, health and safety risk assessments, food hygiene, first-aid, working at height, safeguarding, lone-working, mental health awareness and data protection. The Almshouse Association provides the most relevant and practical forum for directors and staff training.

Applying the Charities Code of Governance 2020

The corporate trustee has considered, in detail, the best practice guidelines within the Code. There is an obligation upon charities to apply the Code or explain why they have not.

Some guidelines are not applied for good reason. Contracts with local sub-contractors undertaking small-scale routine maintenance work are kept as verbal contracts in the interest of speed, efficiency, and experience of comparative costs.

Regarding director appointments, the corporate trustee considers that a restriction on length of term would not be in the best interest of the organisation for the following reasons:

- i. There is a robust written procedure on trustee appointments that takes a pragmatic view of the size of Tiverton and the availability of volunteer directors.
- ii. Each director has a peer review at the end of their term with set questions relating to the skills, time and level of commitment they can give to the Trust. Responses are considered by the Recruitment Committee (which consists of different members each year) and a recommendation is made to the Board at the AGM.
- iii. Past experience has shown that professionals appointed as directors can lead to conflicts of interest and loyalty given the size of the town.
- iv. Consistency and local knowledge are highly valued by directors.
- v. Directors consider that it is not the length of term but the added value and input a director can give to the Trust that is important.
- vi. In the event of a vacancy, directors would be willing to be flexible and adapt current meeting arrangements to ensure a diverse board.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2022

Applying the Value for Money Standard 2018

Tiverton Almshouse Trust is a registered social provider and, as such, published annual evidence within these statutory accounts to enable stakeholders to understand our performance as compared with the metrics set out by the regulator, compare those to our peer group and address any areas of underperformance.

Tiverton Almshouse Trust is a member of the Acuity Benchmarking Group for small social housing providers and our second annual benchmarking report has recently been submitted. Improvements we have made in collecting and collating our data this year has increased the accuracy of the submitted figures.

The Trust scored very highly in terms of resident satisfaction and repairs performance. Our management of voids, regarding costs and the time to turn these around, were at the lower end of the median but it was clear that there were some differences in how organizations accounted for this element of the process.

Our WMC collection and arrears were below the average and our spend per property is in line with similar costs across comparable organisations.

The Trust's repairs and maintenance costs are above the average in some cases as are our overheads but when considered as a proportion of our turnover, it returns the Trust to the median line.

Our Major and Cyclical works are high compared to other organisations in part due to which type of services are considered Cyclical by different organisations; the Trust has recorded the Tunstall emergency call system as cyclical for example.

The standard refers to activities across the board and includes activities relating to the Trust's investment properties where relevant.

There are seven metrics within the standard:

1. **Reinvestment** (the scale of investment into existing housing, acquisition or development of new housing in relation to the size of the asset base). This metric looks at the investment in properties as a percentage of the value of total properties held. The Trust did not acquire or develop any new housing in 2022 and currently operates 84 social housing units. The measure for The Trust in 2022 is 7.11% (2021: 3.53%). In both years the expenditure on existing properties has been a combination of programmed installation of windows, external painting, refurbishments of bathrooms to shower rooms and a rolling programme of repairs. The section on Maintenance of Almshouses contains further detail.
2. **New supply delivered** (units acquired or developed in the year as a proportion of existing housing stock). Given there were no additional units acquired the measure is zero (2021: zero).
3. **Gearing** (Proportion of borrowing in relation to the size of the asset base). The Trust's borrowing relates to a mortgage taken out when the 2004 new development of 32 houses was built. The loan is valued at £548,915 at 31 December 2022 representing a gearing of 13.24% (2021: 14.35%). The board continues to review annually the financial benefits of paying off part of the mortgage that is unfixed versus the interest and return on investments.
4. **Earnings before Interest, tax, depreciation and amortisation major repairs included** (Indicates liquidity and investment capacity). The EBITDA MRI interest cover seeks to measure the level of surplus that is generated compared to interest payable. The Trust's measure for 2022 is negative 788.29% (or 7.883 times). 2021: 220.52% (or 2.205 times).
5. **Social housing cost per unit** The Trust's social housing cost per unit for 2022 was £3,794, (2021: £1,914) the applicable costs related to management, repairs and maintenance and service costs which was higher in 2022 due to works to replacing windows, kitchens, bathrooms and upgrading works.
6. **A Operating Margin % (Social Housing Lettings Only)** demonstrates the profitability of operating assets before exceptional expenses are taken into account. In calculating this only operating costs directly attributable to social housing costs have been included, the margin for the Trust for 2022 was 15.91% (2021: 36.84%).

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2022

B Operating Margin % (Overall) as above however including all operating costs against social housing income and rents receivable from investment properties the margin for the Trust for 2022 was negative 30.7% (2021: 1.89%). The Trust's total expenditure (note 4) has increased compared to 2021.

7. Return on capital employed % (ROCE) the metric compares the operating surplus to total assets less current liabilities, the Trust's ROCE for 2022 was negative 1.86% (2021: 0.69%).

Managing Risk

The Corporate Trustee regularly reviews the potential risks to the Association and aims to take a balanced and proportionate view. Professional advice is taken where necessary and regularly.

Where decisions are taken to commit significant financial resources, the financial return is considered along with the social investment return and the furtherance of the charitable objectives.

Nevertheless, the corporate trustee is acutely aware of the potential risks facing the Trust and a rigorous system of checks and balances is in place and reviewed regularly. A detailed risk register serves to prioritise governance, operational, compliance and external factors that pose the greatest concern and a management plan is enforced to reduce exposure. Greatest risks can be grouped according to residual risk priority and summarised as follows in order of concern:

- i. Regulatory and Statutory
 - a. Changes in government policy leading to reduced income, increased regulation and therefore increased expense and staff time.
 - b. Maximising the positive impact upon beneficiaries but ensuring this is within the parameters of the Charity's objects.
 - c. Governance matters that arise from a small staff team (such as dependence on key staff).
 - d. Recognising the potential for conflicting interests and loyalties given the directors within the corporate trustee are local lay people with numerous local connections and local businesses.
 - e. Reducing the possibility of unknown changes in legislation and regulation (sometimes originating in indirect departments).
- ii. Specific risk mitigation measures relevant to the Financial Statement:
 - a. Fraud: Day-to-day administration procedures are undertaken to reduce the risk of fraud and certain functions (such as payroll) are outsourced. Internal financial reviews are undertaken as good practice, also a Fraud Policy and Fraud Response Plan was implemented to the robust list of policies and procedures already in place.
 - b. Loss of Income (Property): Measures are taken to minimise almshouse voids (see report above) by advertising and maintaining close working relationships with local organisations and the local authority. Commercial rent levels have dropped in recent years due to the uncertain economic climate preceded by a recession, but staff strive to ensure good working relationships with commercial tenants, keep the properties in good working order and keep close monitoring of rental payments to minimise the risk of arrears and to maintain continuity of tenants.
 - c. Loss of Income (other assets): An annual investment review is held every November and monitored every two months by the Finance & Property Committee.

An approved Investment Policy is reviewed every year. Discretionary power has been given to the Trust's brokers who manage the largest portfolio, other investment providers are managed funds or deposit accounts. The corporate trustee aims for a wide variety of deposit accounts balancing long term and short-term investments and, as far as reasonably possible, invests no more than the maximum cover provided by the Financial Services Compensation Scheme.
 - d. Unforeseen Property Repair Costs: Quinquennial surveys are commissioned, and the results incorporated into a rolling programme of maintenance within the budget forecast. Unforeseen works are therefore restricted to extraordinary events (such as flooding because of a leak) and usually covered by insurance. Routine maintenance is seen as a core activity.

The chief executive is responsible for the day-to-day management of health and safety matters and directors are also aware of their statutory duties under legislation through regular sub-committees. Risk assessments are carried out annually by the Property and Housing Managers. Fire risk assessments are carried out annually by the Property Manager and Housing Manager.

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2022**

A comprehensive list of policies and procedures is reviewed on a one - three-year rolling programme or because of changing legislation or best practice guideline, whichever is the soonest. Regular staff meetings ensure that new procedures are implemented.

Meetings with residents are held annually where matters of health and safety are discussed and reinforced, including the procedure in the event of a fire. A fire drill is held annually.

Residents are encouraged to ask questions and provide feedback verbally, or in writing or through our suggestion boxes on site. The chief executive sends an annual report to all residents with the results from the residents' satisfaction survey. The Chief Executive holds a residents' forum each month on both of the large almshouse sites for residents to individually ask questions and give their feedback. Staff meetings for office employees, including line managers happen as frequently as possible.

Directors and staff remain vigilant on matters of risk and continue to seek advice and updates from legal bodies, the Charity Commission, the Social Housing Regulator, and the Almshouse Association.

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2022**

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

- The corporate trustee of the charity which held office at the date of approval of these Financial Statements as set out above, confirms, so far as it is aware, that:
 - there is no relevant audit information of which the charity's auditors are unaware; and
 - it has taken all the steps that it ought to have taken as corporate trustee in order to make itself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

- Approved at a meeting of the corporate trustee held on.....9th May 2023

- Signed on its behalf by:

- Mr J Pulford – Director (Chairman)

- Mrs D Woodward (Chief Executive)

D. Woodward

**TIVERTON ALMSHOUSE TRUST
STATEMENT ON INTERNAL CONTROL SYSTEMS
YEAR ENDED 31 DECEMBER 2022**

The corporate trustee is responsible for maintaining a sound system of internal control which:

- focuses on the significant risks that threaten the organisation's ability to meet its objectives; and
- provides reasonable assurance of the safeguarding of assets.

The corporate trustee is also responsible for reviewing the effectiveness of the system of internal control.

The internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the charity is ongoing. This process has been in place for the year ended 31 December 2022 and up to the date of approval of the corporate trustee's report and financial statements and is regularly reviewed by the corporate trustee.

Experienced and suitably qualified management staff take responsibility for important business functions. Appraisal procedures have been established to maintain the standards of performance.

All significant new initiatives, major investments and investment projects are subject to formal authorisation procedures, through the Finance and Property Committee and/or the board.

The Property and Finance Sub Committee reviews reports from senior staff on behalf of the Board and from the external Accountants and separate Auditors to provide assurance that control procedures are in place and are being followed. The Property and Finance Sub Committee informs the Board in this regard on a regular basis.

Procedures have been established for instituting appropriate action to correct weaknesses identified from the above report.

**TIVERTON ALMSHOUSE TRUST CORPORATE TRUSTEES'
RESPONSIBILITIES STATEMENT
YEAR ENDED 31 DECEMBER 2022**

The Charities Act 2011 and registered social housing legislation require the corporate trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its income and expenditure for that period.

In preparing these financial statements, the corporate trustee is required to:

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

The corporate trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022. The corporate trustee has general responsibility for taking reasonable steps to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT
TO THE CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST**

Opinion

We have audited the financial statements of Tiverton Almshouse Trust for the year ended 31 December 2022 which comprise the Statement of comprehensive income (including income and expenditure account), Statement of financial position, Statement of changes in equity and reserves, Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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, including its income and expenditure, for the year then ended;
- and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022

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 director'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 year of at least twelve months from when the original financial statements were authorised for issue.

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

Other information

The corporate trustee is responsible for the other information. The other information comprises the information included in the report of the corporate trustee, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST (CONTINUED)**

Opinion on other matter prescribed by the Charities Act 2011

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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 requires us to report to you if, in our opinion:

- the information given in the corporate trustee's report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of corporate trustee

As explained more fully in the Corporate Trustee's Responsibilities Statement (set out on page 16), the corporate trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporate trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the corporate 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 corporate trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Based on our understanding of the Trust and nature of the business, we identified the principal risks of non-compliance with laws and regulations as being those which have a direct impact on the preparation of the financial statements, such as The Charities Act 2006, and relevant tax legislation (VAT etc.), as well as legislation governing responsibilities as a social housing landlord. We considered the extent to which non-compliance with these laws and regulations may have a material effect on the financial statements.

**INDEPENDENT AUDITOR'S REPORT
TO THE CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST (CONTINUED)**

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Based on this understanding we designed our audit procedures to identify irregularities. Our procedures involved the following:

- Enquiries of those charged with governance, regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements;
- Review of minutes of meetings of those charged with governance;
- Evaluation of the effectiveness of management's controls designed to prevent and detect irregularities including those applicable to social housing landlords;
- Challenging assumptions and judgements made by management in its significant accounting estimates;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Charity's corporate trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Charity's corporate trustee those matters we are required to state to the corporate trustee 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's corporate trustee as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Francis Clark

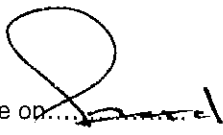
PKF Francis Clark, Statutory Auditor

Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE
Date: *9 May 2023*

PKF Francis Clark is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

TIVERTON ALMSHOUSE TRUST
STATEMENT OF COMPREHENSIVE INCOME (INCLUDING
INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED
31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	2	782,317	759,795
Less: Operating costs	4	<u>1,022,481</u>	<u>765,498</u>
Operating deficit	5	(240,164)	(5,703)
Income from fixed asset Investments		33,558	29,334
Interest receivable and similar income	9	6,563	71,171
Interest payable and similar charges	10	(15,031)	(10,762)
Unrealised/realised gains and losses on investments	12	(314,433)	453,485
Revaluation of investment properties		<u>-</u>	<u>(10,000)</u>
Surplus on ordinary activities for the year before tax		<u>(529,507)</u>	<u>527,525</u>
Tax on surplus on ordinary activities		<u>-</u>	<u>-</u>
Surplus / (deficit) for the year after tax		(529,507)	527,525
Total comprehensive income for the year		<u><u>(529,507)</u></u>	<u><u>527,525</u></u>

Signed on behalf of the corporate trustee on 

9.5.23

Mr J Pulford – Director (Chairman)

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF FINANCIAL POSITION YEAR ENDED
31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible fixed assets	11		4,144,378		4,040,000
Investment properties	11		2,856,676		2,856,676
Other fixed assets	11		428,019		428,163
Investments	12		3,491,472		3,797,008
			<u>10,920,545</u>		<u>11,121,847</u>
Current assets					
Debtors	13	57,532		51,375	
Cash at bank and in hand		<u>727,460</u>		<u>1,023,993</u>	
			784,992		1,075,368
Creditors: amounts falling due within one year	14	169,119		104,630	
			<u>615,873</u>		<u>970,738</u>
Net current assets					
			615,873		970,738
Total assets less current liabilities			11,536,418		12,092,585
Creditors: amounts falling due after more than one year	15		519,511		546,171
			<u>11,016,907</u>		<u>11,546,414</u>
Capital and reserves					
Permanent endowment	18		8,710,634		8,794,548
Expendable endowment	18		888,707		993,611
Income and Expenditure reserves	17		1,417,566		1,758,255
			<u>11,016,907</u>		<u>11,546,414</u>

These financial statements were approved and authorised for issue by the corporate trustee on

29.5.23.

and signed on its behalf by:

Mr J Fulford - Director



The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF CHANGES IN EQUITY AND RESERVES
YEAR ENDED 31 DECEMBER 2022

	Permanent Endowment £	Expendable Endowment £	Other Reserves £	Total £	2021 £
At 31 December 2021	8,794,548	993,611	1,758,255	11,546,414	11,018,889
Surplus for year before gains and losses from investments	-	-	(215,074)	(215,074)	84,040
Unrealised/realised gains and losses on investments	(83,914)	(104,904)	(125,615)	(314,433)	453,485
Revaluation of tangible fixed assets	-	-	-	-	(10,000)
Total comprehensive income	(83,914)	(104,904)	(340,689)	(529,507)	527,525
Transfers	-	-	-	-	-
At 31 December 2022	8,710,634	888,707	1,417,566	11,016,907	11,546,414

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF CASHFLOWS
YEAR ENDED 31 DECEMBER 2022

	2022	2021
	Note 23	£
Net cash flow from operating activities	(96,590)	52,102
Cash flow from investing activities		
Rents received from investment properties	-	-
Payments to acquire tangible fixed assets	(185,305)	(6,289)
Proceeds from investments	244,989	26,464
Purchase of investments	(229,499)	-
Interest received	6,383	6,171
Dividends received	33,558	29,334
Net cash flow from investing activities	(129,874)	55,680
Cash flow from financing activities		
Repayment of long-term loans	(45,681)	(43,007)
Net cash flow from financing activities	(45,681)	(43,007)
Net Increase / (decrease) in cash and cash equivalents	(272,145)	64,775
Cash and cash equivalents as at 1 January 2022	1,056,272	991,497
Cash and cash equivalents as at 31 December 2022	<u>784,127</u>	<u>1,056,272</u>
Cash and cash equivalents consist of:		
Cash at bank and in hand	727,460	1,023,993
Cash held as part of investment portfolio	56,667	32,279
	<u>784,127</u>	<u>1,056,272</u>

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General information and basis of preparation

Tiverton Almshouse Trust is incorporated under the Charities Act 2011 and is a Registered Provider of Social Housing in the United Kingdom.

Tiverton Almshouse Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2022, and the Charities Act 2011.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements are prepared in sterling, which is the functional currency of Tiverton Almshouse Trust and rounded to the nearest £.

The registered office is disclosed in the Report of the Corporate Trustee.

Housing properties

Housing properties are principally properties available to beneficiaries of the trust in return for weekly maintenance contributions.

Housing properties are included at deemed cost and are reviewed for impairment at the end of each reporting period.

Investment Properties

Investment properties are principally properties available to tenants of the trust in return for a commercial rent.

Investment properties are included at valuation, representing fair value and at each reporting date any changes in fair value are recognised in the statement of comprehensive income. Professional valuations are undertaken on a 5-year rolling cycle.

Investment properties are reviewed for impairment at the end of each reporting period.

Fixed assets and Depreciation

Other fixed assets are stated at cost, less accumulated depreciation. Depreciation is charged on a straight-line basis at rates anticipated to write off the cost of the asset, at the following annual rates:

Housing & freehold properties	Nil
Computer equipment	33.33% straight line

There is no depreciation charged this year against housing properties or freehold property as the corporate trustee believes the residual values are not lower than the current carrying value in the balance sheet. This opinion is based on the valuation of The Market House offices in 2018 and the valuation work done on the housing properties in 2019. It is the corporate trustee's opinion that the local housing market remained static over the 2022 year, and they will be reviewing this throughout the 2023 financial year.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently they are measured at fair value through the statement of comprehensive income.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2022

Debtors and creditors receivable/payable within one year

Debtors and creditors payable within one year are recorded at transaction price.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs and then subsequently adjusted for principal repayments and interest charged.

Revaluation surpluses and deficits

Where market value is not readily available, the corporate trustee estimates market value. Revaluations of investments are reported in the Statement of Comprehensive Income.

Leased Assets

Rentals payable under operating leases are charged to the income and expenditure account on a straight-line basis over the period of the lease.

Government grants

A social housing grant was received back in 2004 as a contribution towards the capital cost. The grant was previously deducted from the cost of the housing properties. However, as the housing properties are accounted for using the valuation model, grants should now be accounted for using the performance model which means that grants are recognised as income once the performance conditions have been met. This change has not altered the overall value of reserves.

Current Taxation

No taxation is payable by the charity, since it has charitable status and its activities are exempt from tax.

Value Added Tax

Irrecoverable VAT which can be attributed to capital items or revenue expenditure is added to the cost of the capital item or expenses where practicable and material.

Pension Costs

The charity operates a defined contribution scheme for the benefit of its employees. The costs of contributions are written off through the income and expenditure account in the year they are payable.

Dilapidations

Monies receivable in respect of dilapidations are generally not accounted for until they can be determined with reasonable accuracy.

Turnover

Turnover is measured at the fair value of the consideration received or receivable.

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from almshouse voids.

Interest and dividends receivable

Interest and dividend income is recognised as Tiverton Almshouse Trust's right to receive payment is established.

Key judgements and estimates

The following judgements and estimates have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

The corporate trustee has established a five-year cycle for investment properties to be valued by an external RICS qualified surveyor. In the intervening years the remaining properties are valued by the corporate trustee having regard to all risks, the yield, the strength of the market and comparison with similar properties.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2022

2. TURNOVER

	2022	2021
	£	£
Rents receivable excluding service charges	448,679	427,262
Service charges receivable	104,808	99,507
Rent and service charge losses from voids	(6,250)	(3,789)
Guest room income	1,950	-
Social Housing Turnover	549,187	522,980
Investment property Income	233,130	236,815
	<u>782,317</u>	<u>759,795</u>

3. UNITS IN MANAGEMENT

	2022	2021
Social housing for older people	84	83
Warden accommodation	2	3
	<u>86</u>	<u>86</u>

4. OPERATING COSTS

	Support Costs £	Social Housing £	Investment Properties £	Total 2022 £	Total 2021 £
Estate management costs:					
Wages and salaries	-	28,579	50,000	78,579	101,160
Estate costs					
Repairs and maintenance	-	294,529	22,105	316,634	234,643
Professional fees	-	18,413	64,241	82,654	54,683
Utilities	-	90,718	43,500	134,218	106,871
Insurance	-	9,157	16,789	25,946	25,150
Sundry expenses	-	8,514	5,198	13,712	9,158
Waste	42	7,062	-	7,104	6,762
Cleaning	-	4,823	2,454	7,277	6,923
Administrative costs					
Wages and salaries	209,003	-	-	209,003	163,583
Staff costs	2,688	-	-	2,688	90
Office running costs	31,884	-	-	31,884	25,512
Audit services	4,158	-	-	4,158	3,780
Accountancy services	10,238	-	-	10,238	8,324
COVID19 expenses	307	-	-	307	2,078
PI insurance	578	-	-	578	578
Subscriptions	5,684	-	-	5,684	3,042
Bank charges	894	-	-	894	908
Depreciation	3,071	-	-	3,071	2,104
Profit/loss on disposal	78,000	-	-	78,000	-
Investment mgm't fees	9,852	-	-	9,852	10,149
	<u>356,399</u>	<u>461,795</u>	<u>204,287</u>	<u>1,022,481</u>	<u>765,498</u>
Apportionment	<u>(356,399)</u>	<u>225,602</u>	<u>130,797</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>687,397</u>	<u>335,084</u>	<u>1,022,481</u>	<u>765,498</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2022

5. OPERATING DEFICIT

	2022	2021
	£	£
Operating deficit is stated after charging:		
Operating leases - other assets	<u>1,524</u>	<u>1,524</u>

6. AUDITORS' REMUNERATION

	2022	2021
	£	£
Audit services	4,158	3,780
	<u>4,158</u>	<u>3,780</u>

7. BOARD OF DIRECTORS OF THE CORPORATE TRUSTEE AND KEY MANAGEMENT PERSONNEL REMUNERATION

	2022	2021
	£	£
The aggregate emoluments payable to key management personnel excluding employer pension contributions	78,579	70,540

The chief executive is not a member of the charity's defined contribution pension scheme. However, the charity makes contributions to their personal pension plan. During the period the total amount contributed to the personal pension was £5,170 (2021: £5,032).

The Board of Directors of the corporate trustee received no expenses or remuneration in the year.

8. EMPLOYEE INFORMATION

	2022	2021
The average number of persons employed during the year expressed in full time equivalents (16 hours or more per week) was:		
Office staff	6	5
Wardens, cleaners and handyman	<u>4</u>	<u>4</u>
	<u>10</u>	<u>9</u>
	£	£
Staff costs (for the above persons)		
Wages and salaries	254,137	233,130
Employer's National Insurance Contributions	19,057	17,800
Other pension costs	<u>14,388</u>	<u>13,813</u>
	<u>287,582</u>	<u>264,743</u>

During the year one employee earned more than £60,000 (2021: one employee).

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2022

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022 £	2021 £
Interest received	6,383	6,171
Miscellaneous Income	180	65,000
	<u>6,563</u>	<u>71,171</u>

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2022 £	2021 £
Mortgage interest	15,031	10,762
	<u>15,031</u>	<u>10,762</u>

11. TANGIBLE FIXED ASSETS

	Housing Properties £	Investment Properties £	Freehold Property £	Computer Equipment £	Total £
COST OR VALUATION					
At 1 January 2022	4,040,000	2,856,676	425,000	15,264	7,336,940
Additions	182,378	-	-	2,927	185,305
Disposals	<u>(78,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(78,000)</u>
At 31 December 2022	<u>4,144,378</u>	<u>2,856,676</u>	<u>425,000</u>	<u>18,191</u>	<u>7,444,245</u>
DEPRECIATION					
At 1 January 2022	-	-	-	12,101	12,101
Charge for year	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,071</u>	<u>3,071</u>
At 31 December 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,172</u>	<u>15,172</u>
NET BOOK VALUE					
At 31 December 2022	<u>4,144,378</u>	<u>2,856,676</u>	<u>425,000</u>	<u>3,019</u>	<u>7,429,073</u>
At 31 December 2021	<u>4,040,000</u>	<u>2,856,676</u>	<u>425,000</u>	<u>3,163</u>	<u>7,324,839</u>

HOUSING PROPERTIES

Housing properties includes freehold land and buildings, which are included at deemed cost of £3,962,000 (historic cost: £4,210,895).

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2022

Expenditure on works to existing properties	2020	2019
	£	£
Amounts charged to income and expenditure account	228,879	238,598
	<u>228,879</u>	<u>238,598</u>

INVESTMENT PROPERTIES

The corporate trustee has established a five-year cycle for investment properties to be valued by an external RICS qualified surveyor.

For the 2022 year, all investment properties held were valued by the corporate trustee on the basis of fair value as at 31 December 2022.

Valuation is represented by:	2022	2021
	£	£
Historical cost	296,927	296,927
Revaluation	2,559,749	2,559,749
	<u>2,856,676</u>	<u>2,856,676</u>
Revaluation:	2022	2021
	£	£
Balance as at 31 December 2021	2,559,749	2,566,487
Net of additions and transfers	-	3,262
Revaluation	-	(10,000)
Balance as at 31 December 2022	<u>2,559,749</u>	<u>2,559,749</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2022

12. INVESTMENTS HELD AS FIXED ASSETS

(Financial assets measured at fair value through the surplus/ (deficit))

	2022 £	2021 £
MARKET VALUE OF LISTED INVESTMENTS		
At 31 December 2021	3,797,008	3,359,604
Additions	229,499	-
Disposal proceeds	(244,989)	(26,464)
Realised gains/(losses)	(2,336)	9,332
Unrealised gains/(losses)	(312,097)	444,153
At 31 December 2022	<u>3,467,085</u>	<u>3,786,625</u>
Cash held as part of investment portfolio (movement)	24,387	10,383
	<u>3,491,472</u>	<u>3,797,008</u>
Historical cost	<u>2,603,782</u>	<u>2,592,324</u>

13. DEBTORS – ALL RECEIVABLE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors		
Social housing rent arrears	528	1,655
Social housing utility arrears	-	-
Other	5,575	1,824
	<u>6,103</u>	<u>3,479</u>
Prepayments and accrued income	43,110	41,985
Other debtors	8,319	5,911
	<u>57,532</u>	<u>51,375</u>

14. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Mortgages	29,404	33,395
Trade creditors and rents paid in advance	95,283	20,531
Other creditors and accruals	44,432	50,704
	<u>169,119</u>	<u>104,630</u>

15. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022 £	2021 £
Mortgages	<u>519,511</u>	<u>546,171</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2022

16. MORTGAGES

(Financial liabilities measured at fair value through the surplus/ (deficit)).

	2022 £	2021 £
Analysis of maturity of debt:		
Less than one year or on demand	29,404	33,395
Between one and two years	30,440	33,948
Between two and five years	97,916	105,297
After five years	391,155	406,926
	<u>548,915</u>	<u>579,566</u>

The mortgages mature in July 2037.

Capital is repayable in monthly instalments, which commenced in August 2004. Interest for both loans is calculated based on SONIA and include an Adjustment Spread.

The mortgages are secured on certain freehold housing and investment properties.

17. INCOME AND EXPENDITURE RESERVES

	2021 £	Surplus for year £	Revaluation £	Transferred £	Utilised £	2022 £
Programme of works fund	20,814	-	-	-	(20,814)	-
Extraordinary repair fund	42,833	-	-	992,799	(225,129)	810,503
Cyclical maintenance fund	63,400	-	-	200,095	(194,983)	68,512
Routine works	47,433	-	-	60,527	(56,729)	51,231
Other	1,583,775	(215,074)	(125,615)	(1,253,421)	497,655	487,320
	<u>1,758,255</u>	<u>(147,508)</u>	<u>(125,615)</u>	<u>-</u>	<u>-</u>	<u>1,417,566</u>

Tiverton Almshouse Trust has established a regular programme of works.

Part of other reserves has been earmarked by the corporate trustee for a particular purpose. Such designations may be reversed by future Trustee decisions.

Expenditure is taken through the income and expenditure account. A transfer is then made as appropriate.

18. CAPITAL AND RESERVES

Permanent Endowment

These reserves represent the historic value of the housing and investment properties together with the current value of any other investments that were held at the date of the merger and cash deposited with Standard Life on behalf of Alexandra Lodge Trust as at the date of the merger.

Expendable Endowment

These reserves represent the current value of any investments purchased since the merger.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2022

19. LEASING COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022 £	2021 £
Not later than one year	1,524	1,524
Total	<u>1,524</u>	<u>1,524</u>

20. PENSION COSTS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £9,218 (2021: £8,781).

21. RELATED PARTY TRANSACTIONS

As at the 31 December 2022 two directors of Tiverton Almshouse Trustee Limited were councillors / employees of related Local Authorities.

Any transactions with the Local Authorities were at arms-length on normal commercial terms and these individuals were not able to use their position to their commercial advantage.

22. CONTROL

The ultimate controlling party is the board of directors of Tiverton Almshouse Trustee Limited

23. RECONCILIATION OF OPERATING SURPLUS / (DEFICIT) TO CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Surplus / (deficit) for the year	(529,507)	527,525
Mortgage interest paid	15,031	10,762
Interest received	(6,383)	(6,171)
Dividends received	(33,558)	(29,334)
Depreciation/impairment of tangible fixed assets	3,071	2,104
Realised (gain) / loss on disposal of investments	2,336	(9,332)
Profit/loss on disposal of tangible fixed assets	78,000	-
Unrealised (gains) / loss on investments	312,097	(444,153)
Revaluation on tangible fixed assets	-	10,000
(Increase) / decrease in trade and other debtors	(6,157)	(2,141)
Increase / (decrease) in trade and other creditors	68,480	(7,158)
Net cash flow from operating activities	<u>(96,590)</u>	<u>52,102</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2022

24 ANALYSIS OF CHANGES IN NET DEBT

	2021	Cashflows	Non-cash changes	2022
	£	£	£	£
Long-term borrowings	546,171	-	(26,660)	519,511
Short-term borrowings	33,395	(30,651)	26,660	29,404
Total liabilities	579,566	(30,651)	-	548,915
Cash and cash equivalents	(1,056,272)	272,145	-	(784,127)
Total	(476,706)	241,494	-	(235,212)

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Our Ref: **10103EX/NXH/NXH**

25 April 2023

Dear Sirs/Madams

In accordance with our normal practice we are writing to draw your attention to various matters which arose during the course of our audit of the charity's accounts for the year ended 31 December 2022.

1. Expected Modifications to the Auditors' Report

There are no expected modifications to the auditors' report.

2. Identified Misstatements

All identified misstatements, except those we consider to be clearly trivial, were discussed with Doreen Woodward. All adjustments have been made to the accounts so there are no remaining unadjusted audit differences.

A summary of adjustments posted to the draft financial statements during the course of the audit (which increases the deficit by £67,566 in total) is shown in the attached appendix.

3. Significant Deficiencies in the Accounting and Internal Control Systems

As you are aware from our letter of engagement, our audit procedures were directed towards testing the accounting systems in operation upon which we have based our assessment of the accounts. In assessing whether a deficiency is significant we consider the likelihood of an error arising in the accounting system and its potential magnitude. Whilst we did not identify control issues that we would consider to be significant deficiencies, we have the following observations.

The accounting software used has a bank feed that imports transactions directly from the bank. There were trivial differences identified as part of the bank reconciliation between the accounting software and the bank balance. Whilst the differences are small, we would recommend investigating all differences as part of the bank reconciliation, and correcting accordingly. The difference has been investigated by the accountants, and found to be an isolated error that has now been corrected.

4. Qualitative Aspects of the Entity's Accounting Practices and Financial Reporting

The following qualitative aspects of the entity's accounting practices and financial reporting were discussed and agreed at our closing meeting on 14 April 2023:

Fixed Assets – Significant Components

Historically major components of social housing properties have not been separately identified and depreciated over their individual useful lives. This was discussed with the Trustees previously, and it was agreed that it would not be practicable to perform a retrospective review for significant components but that future fixed asset additions would be reviewed to ensure significant components are separately identified.

During the year, £182k was spent on replacing windows, which was originally expensed in the management accounts. For the statutory accounts it was noted that the new windows were a significant improvement, and were therefore capitalised. The cost of the original windows however had not been identified and removed. This has now been adjusted for and can be seen in adjustment 1 of the attached appendix.

The replacement windows had also been depreciated which would be more in line with component accounting. By adopting this treatment, there would have needed to be a change in accounting policy for fixed assets, which would need to be applied to all components within your Housing Properties. As noted above this would mean a retrospective review or estimate of how the cost should be split between components. The trustees have decided against that approach, and will consider for any future development projects. The depreciation has therefore been reversed, and the effect of this can be seen in adjustment 2 of the attached appendix.

Depreciation of Freehold Property and Housing Property held at cost

Freehold property and social housing property is not depreciated on the basis that the residual value is not materially different from the carrying value (and therefore depreciation would be immaterial). The Trustees agreed to review this annually to ensure that residual values are not significantly different to the carrying value which might give rise to the need to apply a depreciation charge. Paragraph 10 of the Letter of Representation confirms the fact that the trustees have considered this and are happy that any depreciation charge would be immaterial to the financial statements.

Investment Property

We understand that the Fore Street property may now be disposed of rather than redeveloped. The trustees are comfortable that no material write down would be required based on expected sales value.

5. Other Matters Required by Auditing Standards to be Communicated

There are no other matters that we are required by Auditing Standards to communicate to you.

6. Audit Independence

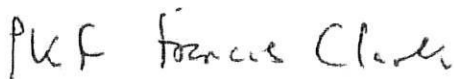
No non-audit services have been offered to the charity during the past year.

The contents of this report are subject to the terms and conditions of our appointment as set out in our engagement letter of 1 March 2021.

This report is made solely to the Directors of the corporate trustee of Tiverton Almshouse Trust as a board in accordance with our engagement letter. Our work has been undertaken so that we might state to the Directors of Tiverton Almshouse Trust those matters we are required to state to them in accordance with International Standards on Auditing (UK and Ireland) in this 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 Board of Tiverton Almshouse Trust for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.

If we can be of any further assistance, please contact Neil Hitchings.

Yours faithfully



FRANCIS CLARK LLP

E-mail: mail@pkf-francisclark.co.uk

Tiverton Almhouse Trust

Accounts and audit adjustments

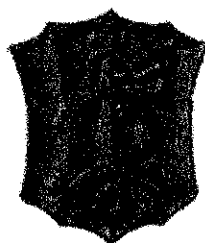
	Profit & Loss Account Dr / (Cr) £	Balance Sheet Dr / (Cr) £	B/forward reserves Dr / (Cr) £	Profit effect £
Surplus / (Deficit) per draft accounts				(461,941)
Accounts adjustments				
1 Fixed asset disposal		(78,000)		
Loss on disposal	78,000			(78,000)
<i>Dispose of original cost of windows</i>				
2 Depreciation (BS)		9,119		
Depreciation expense	(9,119)			9,119
<i>Remove depreciation of windows</i>				
3 Bank		1,315		
Interest income	(1,315)			1,315
<i>Shawbrooks interest not posted</i>				
Surplus / (Deficit) per draft accounts				(529,507)

TIVERTON ALMSHOUSE TRUST

England & Wales - Charity number 206984

Accounts

Registered Social Landlord number: A1070
Registered Charity number: 206984



Report of the Trustees and Audited Financial Statements
For the Year Ended 31 December 2021
For
TIVERTON ALMSHOUSE TRUST

TIVERTON ALMSHOUSE TRUST
Contents of the Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2021

	Page
Report of the Corporate Trustee	1-13
Statement on internal control systems	14
Corporate Trustees' responsibilities statement	15
Independent Auditor's report	16-18
Statement of comprehensive income (including income and expenditure account)	19
Statement of financial position	20
Statement of changes in equity and reserves	21
Statement of cash flows	22
Notes to the financial statements	23-32

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2021

The Corporate Trustee presents this report with the financial statements of the charity for the year ended 31 December 2021.

INTRODUCTION

The Corporate Trustee is pleased to report that the agreed objectives central to the work of the Tiverton Almshouse Trust of maintaining and improving core charitable activities, planning for the future and delivering a healthy financial position have been satisfied.

Tiverton Almshouse Trust is regulated by the Charity Commission and the Regulator of Social Housing (formerly the Homes & Communities Agency).

This report includes references to the Financial Statements attached and aims to address the regulatory requirements of the Regulator of Social Housing three economic standards: Value for Money, Governance & Financial Viability and the Rent Standard, throughout, as part of the reporting structure.

The total income this year in 2021 from charitable activities and other income was £860,300 (2020: £813,932). The total expenditure was £776,260 (2020: £799,382). The gain on investments was £453,485, which includes an unrealised gain of £444,153 and a realised gain of £9,332. The surplus for the year is £527,525.

CODE OF GOVERNANCE

The Charities Code of Governance 2020 has been adopted by the Board in line with Charity Commission guidance. Tiverton Almshouse Trust falls between the Code for smaller and larger charities (defined as turnover below and above £1m respectively). The Board aspires to meet the recommendations set out for larger charities whilst maintaining a level of proportionality. The Code is produced by the NCVO, ICASA, ACEVO, Association of Chairs and the Small Charities Coalition with the oversight of The Charity Commission

1. OBJECTIVES AND ACTIVITIES

The objects of the Tiverton Almshouse Trust in the Scheme made by the Charity Commission dated 10 September 2009 (as amended by the Scheme dated 28 July 2014) are:

- a. the provision of housing accommodation for poor persons not less than 60 years old who have lived in the area of benefit for not less than 2 years prior to the appointment.
- b. such charitable purposes for the benefit of the residents as the Corporate Trustee decides
- c. the relief of persons resident in the area of benefit who are in financial hardship by:
 - i. making grants of money to them; or
 - ii. providing or paying for goods, services or facilities for them; or
 - iii. making grants to other organisations or institutions which provide goods, services or facilities for those in financial hardship.

The use of income and capital must firstly be applied to meet the proper costs of administering the charity and managing its assets (including repair and insurance of its buildings) and to make annual payments into the reserve funds considered necessary in the annual budget.

The remaining income to further the objects of the charity are made in the following order of priority:

- a. the benefit of the residents
- b. the relief of financial hardship of persons living in the area of benefit (which is Tiverton and environs).

The greatest activity within the Trust is the maintenance of its properties. In addition to almshouse accommodation, the Trust also owns investment property in Tiverton.

The board considers that the objects are still relevant to the work of the charity. The popularity of the almshouse accommodation, the low level of voids and the financial security of the organisation means that it achieves, and can sustain, its objectives.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2021

Plans for the future address how those objectives can be taken forward to enable beneficiaries to continue to benefit from the Trust's charitable activities as the government and society shifts to take care of a higher proportion of an ageing and frail older population.

Public Benefit

In carrying out the Trust's aims and objectives and in measuring achievements and performance, the Corporate Trustee has had regard to the Charity Commission's guidance dated February 2014 entitled "Public Benefit: rules for charities". Given that the Trust's objective is the relief of poverty (see objects above) only the benefit aspect of "public benefit" requires satisfying. The Commission specifies that the purpose of the charity must be beneficial in a way that is identifiable and capable of being proved by evidence where necessary and not based on personal views. The most quantifiable measure to identify whether the charity has a benefit to the local population eligible for accommodation is the low level of voids within the almshouses.

Tiverton Almshouse Trust almshouse properties are usually fully occupied with no voids (a void is defined as an empty flat awaiting allocation with no further redecorating or refurbishment required before it is occupied). The National Almshouse Association considers a 5% minimum void rate is acceptable and a void allowance of up to 12.5% may be suitable for small groups of almshouses, given the specific beneficiary group they serve. That would indicate that 4 to 9 of the Trust's properties could be void at any one time. The Trust had no voids throughout the year in 2021, under the above definition.

In line with the Trust's governing scheme 2009, the charity provides housing for local people over 60 years old and in financial need. Through regular advertising, open days, contact with Mid Devon District Council, and local voluntary agencies and local charities such as the Churches Housing Action Trust (CHAT) the Trust reaches a wide audience. The Trust has a list of eligible applicants waiting for accommodation and they are from a wide variety of backgrounds indicating that the Trust is reaching its beneficiary group. Nevertheless, the Corporate Trustee strives to raise the profile of the Trust within the town still further and the Strategic Plan has specific targets for ensuring wider awareness. The rigorous application of a points system ensures each applicant meets the required criteria, enables each applicant to be prioritised primarily based on financial need. The applicant in greatest need at the time a vacancy arises is offered the accommodation regardless of how long they have been known on the list.

During 2021 nine vacancies arose (eleven in 2020). We were able to carry out significant refurbishment, including replacing kitchens and bathrooms with these larger projects taking on average four-five weeks to complete. The Trust was able to secure new residents immediately as it maintains a detailed list of eligible local people in need who had been previously interviewed so that they could be offered any vacant almshouses as soon as they were available. In some cases, in flats where minimal work was needed, the turnaround in the flat getting it ready for the new resident was just one week.

Properties

In total there are 83 almshouses, and three units are occupied by two Resident Wardens and the Housing Manager. The almshouses are on three geographically separate sites within Tiverton, namely:

- (i) Greenway Gardens, King Street
- (ii) Slee's, Angel Terrace
- (iii) John Greenway Close, Gold Street

The accommodation is designed for independent living, as residents get older, the Trust continues to support them for as long as possible and some residents receive third party care packages, social/community services assistance and support from the mental health team as required.

Tiverton Almshouse Trust owns the freehold of several commercial properties in the centre of Tiverton comprising retail and residential flats as well as two office buildings known as Raymond Penny House and John Greenway Building in the centre of town. The Trust also owns two terraced houses in Westex, Tiverton.

Going Concern

After a detailed review and examining major areas which could give rise to significant financial risk, the directors are satisfied that no material exposures exist other than as reflected in these Financial Statements and the Trust has adequate resources to continue its operations for the foreseeable future. The directors and management team review quarterly budgets with our external accountant, which include a minimum forecast 12-month period as well as a programme of works for 5 years. Cash liquidity is monitored through our updated summaries of cash and investments which the board review in detail at Property & Finance meetings 5 times a year and at the board meeting 4 times a year. We have also engaged an independent financial advisor from Stafford House Investments, Andrew Mayne, to produce an annual report to review all our investments in terms of risk. Tiverton Almshouse Trust is not dependent on investment income and market performance.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2021

We receive a steady income from commercial rents and weekly maintenance contributions from our almshouse residents, which meets our annual running costs. Large one-off projects regarding property development and/or significant repairs are reviewed against cash liquidity and available funds, which do not form part of the trusts permanent endowed fund. Five-year quinquennial inspections are carried out by Assinder Turnham on all our properties on a rolling programme, so we can plan for large expenditure required over coming years and factor into our budget if affordable. The board and management team review our reserves and investment policies annually. We review our detailed risk register regularly looking at potential financial risk areas, particularly considering Brexit, COVID, inflation, interest rate rises and any impacts these would have on the Trust. We apply stress tests to potential risk scenarios related to our almshouse and commercial income and expenditure and how this may affect our budgets and strategic objectives.

2. ACHIEVEMENTS AND PERFORMANCE

Maintaining Properties

The Charity Commission Scheme clearly states that the main object of the charity is to provide almshouses for a specified group of local people. Income and capital must first be used to meet the proper costs of administering the charity and repairing, maintaining and insuring the buildings.

Total expenditure decreased by £23,122 to £776,260 in 2021. The major factor to this decrease is repair costs, which reduced by £25,200 compared to the 2020 year. 2020 included essential almshouse works and boiler replacements. Note 4 to the Financial Statements provides a comparison and more detail is provided below.

In 2021, and in line with the quinquennial surveys, the Trust undertook a budgeted programme of works and cyclical maintenance. All significant contracts for programmed works and significant repair works are put out to tender. The specification and contract administration (including tender administration and reporting) has been undertaken this year by Assinder Turnham, Chartered Surveyors. Minor routine maintenance is undertaken either by the Trust's handyman or by one of an approved number of sub-contractors. Quotes are not required for work anticipated to be less than £3,000 to avoid inefficiency and wasted staff time and sub-contractor time. Sub-contractors are required to breakdown labour and parts entries on invoices and, where possible, discounts for regular work are requested and often granted. All invoices are reviewed three times – by the Finance Administrator, the Chief Executive and finally a director before being approved for payment. At the end of the year, all almshouse, residential and commercial properties were fully let apart from one commercial building, where the lease finished after 50 years, in early 2021, and the property has been awaiting planning permission for the Trust to redevelop the building and site, to create two retail units and 8 new almshouse homes in the near future. Planning permission was granted on 26 March 2022.

Maintenance of Almshouse Properties

Of the £776,260 total operating costs and interest payable in 2021 for all properties (investment properties and almshouses combined) £142,781 was spent on almshouse maintenance by way of programmed works, general redecoration and, where necessary redecoration and refurbishment of the nine flats that became vacant. Within the programmed works are two rolling programmes, namely: boiler replacement and kitchen upgrades/bath replacement with showers at John Greenway Close and Greenway Gardens. There were no boiler replacement costs this year (2020: £75,141). However, bathroom and kitchen replacements were £34,533 (2020: £80,853).

Increased regulation means increased routine checks, which continue to present additional financial cost and staff time. The two most costly regulatory functions relate to legionella prevention and fire safety. The monthly, six-monthly, and annual checks for monitoring water hygiene systems to reduce the risk of legionella cost the Trust £5,818 in 2021 (2020: £5,949). This reduction is a result of undertaking less remedial work than in the previous year.

To routinely check fire detection systems the cost in 2021 was £5,514 (2020 £5,498). Where staff carry out routine checks, but specialist services are more frequently required to fulfil legal obligations. The requirement to meet more robust guidance and regulations in buildings of differing ages and styles means the Trust is reliant on specialist contractors to carry out some of the works. Quotes are invited for these work, and annual contracts are then awarded.

Residents' Satisfaction

The Trust is committed to improving services and to reviewing what are the most prominent issues and priorities for our residents by gathering their valuable feedback. We conduct an annual residents' satisfaction survey, results for 2021 are below compared to 2020 results.

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2021**

Residents Satisfaction Survey	2021	2020
Satisfaction with overall service	100%	95%
Satisfaction with the overall quality of your home	100%	93%
Satisfaction of feeling safe living in your almshouse	99%	100%
Satisfaction that your weekly maintenance contribution provides value for money	96%	94%
Satisfaction that your utility contribution charge provides value for money	97%	95%
Satisfaction with repairs and maintenance	96%	95%
Satisfaction that Tiverton Almshouse Trust listen to your views and acts upon them	96%	95%

The Trust is a member of a benchmarking group called Acuity to compare the annual costs of running the almshouse properties with similar almshouse charities and small housing associations across the country. Our level of residents' satisfaction scores very favourably with other organisations. We sit just below the median for spend on reactive repairs and just above for cyclical and major repairs. We have invested in a bespoke property management system for the Trust and introduced cloud-based IT systems, which will help going forward in recording more detailed data for benchmarking.

Investment Property Maintenance

Expenditure on day-to-day maintenance on the Trust's investment properties was significantly less than on almshouse properties, which is to be expected given the tenancy agreements on the former which oblige commercial tenants to keep properties in good and tenable repair. In 2021 the routine and cyclical maintenance expenditure for the Trust on these properties was £91,862 (2020: £30,964), primarily consisting of servicing and general repairs and including the planned works.

Provision of Almshouse Accommodation

Tiverton Almshouse Trust is a social housing provider registered with, and regulated by, the Regulator of Social Housing. The Trust is also a registered charity with the Charity Commission. The main purpose of the organisation is to provide housing to local people over 60 years of age and in financial need. Applications are encouraged from anyone who believes they fulfil the basic three criteria and are scrutinised in line with an internally approved policy which is regularly reviewed (at least every three years) to ensure consistency and relevance (see below).

Two out of our three sites have a Resident Warden. The third site, known as Sleees, is a historic building in the town centre comprising three flats. Residents at Sleees are not visited regularly by a Resident Warden but the House Manager will visit as necessary. This is because, in general, residents at Sleees need to be more independent and mobile due to the restrictive historical layout.

The Resident Warden's remit is to ensure the daily well-being of all residents and although they are not medically trained and do not provide personal care, they assist residents in day-to-day living. Their role can be described as "being a good neighbour". There is a 24-hour emergency call system within Greenway Gardens and John Greenway Close enabling residents to access emergency help at all times of the day and night. The Resident Wardens maintain regular contact with family members when necessary or when a resident is unwell. Resident Wardens also provide a variety of social activities where residents are invited, but are not obliged, to attend. These are held within the Community Room on the two main sites. With COVID restrictions in 2021, the Trust has reduced group numbers down for any activities or events and maintained its robust covid management processes to ensure the safety of residents and staff.

There are 6 meetings a year attended by appointed Directors of the Pastoral Sub-Committee, the Chief Executive, the Housing Manager and Resident Wardens to discuss resident issues and management of the sites. Directors on this committee review the waiting list for vacant almshouses and attend informal chats with new applicants to determine eligibility for almshouse accommodation. With the COVID virus, this has proved difficult for Directors and the responsibility has been delegated to the CEO and Housing Manager. It is hoped that Directors can become more closely involved again in the future.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2021

Residents pay a Weekly Maintenance Contribution for their accommodation and a contribution to water supply and gas (Utility Contribution). Weekly Maintenance Contributions (WMC) vary from £94.04 per week to £110.95 per week depending on the accommodation that is provided. In addition, all residents pay a £24.98 Utility Contribution based on single occupancy and £31.23 per week based on double occupancy.

The Corporate Trustee aims to keep resident contributions as low as possible considering the rent standard provided by the Regulator of Social Housing (RSH) and equivalent fair rent assessments from the Valuation Office Agency (VOA). The latest VOA assessment was undertaken in March 2020. In addition, the Chief Executive consults with Mid Devon District Council on any WMC increase to ensure that those residents who require assistance can access 100% of the rent payment through housing benefit if eligible.

The Corporate Trustee strives to ensure a fair, consistent and transparent process when allocating almshouse accommodation. There is an approved policy within the Trust to advertise in the local newspaper, website if necessary, maintain regular contact with local support organisations, the Churches Housing Action Trust (CHAT) as well as Devon Home Choice (the bidding portal for local authority housing and housing associations). Adverts are also placed in Mid Devon District Council's reception. All applicants must complete a detailed application form, including a financial information section and be interviewed by the Housing manager and CEO. A points system is in used to ensure consistency. Those applicants placed on the list awaiting allocation are regularly reviewed and applicants are encouraged to keep in touch with the Housing Manager.

A good working relationship with Mid Devon District Council and local housing charities ensures a wide-ranging local awareness of the almshouses as well as video presentations to local groups and articles in local papers. Innovative ways to widen the search for applicants are put in place and once an applicant is accepted in principle a priority weighting system ensures the applicant in greatest need is offered any vacancy first, in accordance with our governing scheme.

The continuing lack of care homes within the town and surrounding means that residents are staying in their homes longer than in previous times. Social care support is now provided at home and hospital admissions generally reserved for emergencies, which means that care agencies and health professionals are frequently on site and we work together in partnership for the benefit of the residents.

Alexandra Lodge

Planning permission was granted in 2015 to The Abbeyfield Society for the redevelopment of Alexandra Lodge, an empty listed house in gardens within the town, for a 45-bed extra-care unit. The freehold of the property is owned by Tiverton Almshouse Trust and, following planning permission, a 250-year lease was signed to The Abbeyfield Society. Since then, progress has been slow and due to financial issues Abbeyfield may not be able to continue with their plans for this site. Tiverton Almshouse Trust are in communications with Abbeyfield to see the options that they are pursuing to ensure the site is able at some point in the future to be developed by another organisation to ultimately benefit the people of Tiverton.

Relief of Financial Hardship

The additional objectives of the charity allow for the relief of poverty for local people who are in financial hardship by making grants of money to them or making grants to other organisations or institutions with similar aims. The amount of money donated to achieve this objective is considered by the Corporate Trustee at the AGM each year and the donation may be approved to a local organisation with similar aims. No donations were made in 2021.

3. FINANCIAL REVIEW

The Corporate Trustee reviews its reserves and the non-designated funds and expendable endowment to be used for "the proper costs of administering the charity and of managing its assets" (Charity Commission Scheme September 2009). A Reserves Policy addresses the Expendable Endowment and designates funds to the actions approved in the strategic plan. There are regular reviews of operational risks and requirements, sufficient reserves are maintained in order to address these requirements.

As stated in the Investment Policy, the objective of the Corporate Trustee in holding investments within a share portfolio is to produce the best financial return and capital growth within an acceptable risk and to balance the income and capital return.

The four risks identified in the report last year still stand, namely:

- i. Capital growth not keeping up with inflation thereby leading to a decline in the real value of the investment
- ii. Fluctuating income from share portfolios and deposit accounts due to COVID-19 pandemic

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2021**

iii. Bank default

iv. The unknown effect of the brexit

To limit the above risks the board has delegated certain decisions to the Property & Finance Sub-committee (which consists of over half of the board's number) including allowing those members to re-invest maturing funds subject to the current Financial Services Compensation Scheme Limit. This allows decisions to take advantage of available investment offers (especially fixed rate bonds open for a short time) by acting in a timely manner. All investments, apart from those held within share portfolios, are monitored at every sub-committee meeting.

Shareholding portfolios are managed by professional brokers and/or fund managers and an annual review is undertaken at the November board meeting of the Corporate Trustee. An external investment review takes place annually.

The Corporate Trustee has considered ethical investments in line with ensuring that investments are not made into companies with opposite values from that of the Trust and has therefore put restrictions on investing in any fund that is linked to the production or sale of Tobacco.

It also considered companies who seek to make people homeless, however, this would be difficult to monitor and enforce. It was decided not to impose this ethical restriction. The Corporate Trustee accepts that the ethical values of individual directors must not compromise policy decisions.

The Statement of Comprehensive Income, and supporting note 2, shows that income received from almshouse residents' weekly contributions (including service charges) has increased by £6,673 (2%), primarily as a result of the annual review of charges in April. The Corporate Trustee is mindful of maximising income (for the charity's future sustainability) commensurate with fulfilling the Charity Scheme objective to ensure no resident suffers financial hardship.

Operating costs (note 4) show some changes from the previous year. There has been a marginal increase in the contracted management hours, and administrative wages and salary costs increased in 2021 by £8,704, compared with 2020, which was more in line with the 2019 year. Overall wage costs are up by £10,159 compared to 2020.

The income from fixed asset investments (shareholdings and deposits) decreased by £6,559 over the year mainly due to the continued volatile market caused by the COVID-19 pandemic. The portfolio of investments is valued at £3,797,008 (2020: £3,359,604).

The annual total return on the managed portfolio is reflected in Note 12, with realised and unrealised gains of £453,485 (2020: £102,087).

For 2021 the directors decided not to reinvest the income from the managed portfolio but to receive it as dividends and interest. The impact of this decision can be seen in Note 12 where income reinvested has decreased from £16,487 in 2020 to zero in 2021. From November 2021, the directors have agreed again to reinvest any income from the managed portfolio.

Rents receivable from investment properties have decreased to £236,815, compared to the 2020 year (£257,271). This is because one commercial property that will be redeveloped into two retail units and 8 new almshouses has been vacant since the start of 2021 awaiting planning permission, which has now been granted in March 2022.

Professional valuations are undertaken on our commercial and residential investment properties, on a five-year rolling programme. This year, no formal valuations were carried out, and instead informal valuations were undertaken by the corporate trustee in 2021 on the almshouse and investment properties and they are kept at 2020 levels. Almshouse properties are included under the cost model and do not form part of the annual valuation cycle.

Permanent endowment (identified as investment properties, housing properties and other investments agreed as such by the Charity Commission as part of their investigations prior to the merger in 2009) has increased from £8,610,142 to £8,794,548, reflecting the unrealised gain on investments.

Other Reserves of £1,758,255 shown in the Statement of Financial Position are identified in note 17 and split into:

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2021

1. The Extraordinary Repair Fund (ERF) which allows for unforeseen expenditure necessary to carry out the Trust's objectives.
2. Programmed Works are based on the five-year budget forecast, the quinquennial surveys and conditions surveys that are carried out for the Trust on a regular basis to ensure that there is a rolling programme of maintenance.
3. The Cyclical Maintenance fund reflects expenditure on work to maintain properties that is undertaken every so often on a regular, but not annual, basis, such as redecorating almshouses when a resident moves out.

The mortgage debt for the 2004 development of thirty-two new almshouses at John Greenway Close remains the single largest financial commitment. The financial statements show the annual interest payment for the year £10,762 and reduction in the value of the outstanding mortgage of from £611,811 (2020) to £579,566 in 2021.

The mortgage is held in two separate accounts, one fixed until 2022 and one variable allowing just over half of the sum owing to be paid off at any time should directors deem prudent to do so.

4. PLANS FOR THE FUTURE

A five-year plan (2017-2022) has been in place, the objectives were to:

- i. Improve/adapt housing to enable residents to stay as almshouse residents for as long as possible.
- ii. Improve warden services to enable residents to stay in their homes as long as possible.
- iii. Work with third parties to assist in providing the next step for residents requiring greater care.
- iv. To improve public awareness of the Trust, including awareness within local organisations.
- v. To investigate the provision of new almshouses where the opportunity arises.
- vi. To ensure all commercial properties are fully let and updated where necessary for new tenants.

The objectives have been achieved, with plans to convert the one vacant commercial property in 2022/23 into retail and new almshouses.

A new three-year strategic plan is now in place for 2022-2025 with the following objectives:

- Maintain – to ensure residents are provided with good quality homes
- Develop & collaborate – to develop more quality homes in Tiverton for older people in need, independently as a Trust or with potential partners
- Profile – to raise the Trust's profile, ensuring there is an awareness of what we offer to benefit older people locally
- Investment – to invest in the Trust's properties, staff, and technology to ensure the Trust is as efficient and sustainable as possible to secure its future.

5. CHARITY STRUCTURE, GOVERNANCE AND MANAGEMENT

Tiverton Almshouse Trust is regulated by The Charity Commission and the Regulator of Social Housing (formerly the HCA). Under the latter, it is classed as a Registered Provider of social housing. In 2014 a new Charity Commission Scheme changed the way the Trust was governed. Tiverton Almshouse Trust is a registered charity with the objects outlined above (see section 1). The 2014 Scheme gave permission for the charity to have one corporate trustee rather than twelve individual trustees and, as a result, a new company limited by guarantee known as Tiverton Almshouse Trustee Ltd was established to be that sole trustee.

Within the company (the corporate trustee) are the twelve voluntary directors (previously called trustees). The Tiverton Almshouse Trust Scheme provides the corporate trustee with the same powers as before and the Articles of Association provide further provisions. The incorporated structure is more recognisable to banking and commercial sectors and provides directors with increased indemnity protection.

The directors have a term of appointment of five years. directors can be re-appointed and there is no maximum number of terms for re-appointment. Instead, directors due for retirement on the rotation basis are interviewed by the Recruitment Sub-committee under an agreed procedure which remains the same for all directors.

A set series of seven questions probing the interviewee's commitment to the charity and its purpose, the time available for the necessary workload, the skills that can be brought to the board and the individual's hopes and aspirations for the charity for the next five years are all discussed in depth and reported back to the board at the AGM when re-appointments are decided. In this way the board can retain committed and energetic directors regardless of their length of term.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2021

Prior to appointment and re-appointment directors must sign the Charity Commission's Declaration of Eligibility to serve. At each meeting of the board and the sub-committees, all potential, real and perceived conflicts of interest, loyalty and perception are declared, recorded and discussed. In the event of a conflict or likelihood of a conflict the director in question is asked to leave the room at the appropriate time or refrains from voting on the matter in question.

There are currently the eleven of the full twelve permitted directors under the Articles of Association. The board considers that it has the necessary skills and attributes without actively seeking an additional director. The internal audit of the board takes place at the AGM in May.

Directors

Name	Position	Date appointed/resigned	Skills and experience
John A Pulford	Chairman	Reappointed 14 May 2019	Retired Local Government Officer
Brenda Stanley	Director	Reappointed 12 May 2020	Retired Businesswoman
Michael H C Biggin	Director	Reappointed 12 May 2020	Retired Finance Manager
Janice A Hutchinson	Director	Reappointed 9 May 2017	Retired Teaching Assistant
John N Rendle	Director	Reappointed 8 May 2018	Businessman
David H Hamer	Director	Reappointed 14 May 2019	Retired Chaplain
Diana R Hewitt	Director	Appointed 21 May 2021	Retired Director of Corporate Services
Roger M Stickland	Director	Appointed 6 July 2021	Retired Head of IT Services
Brian C Berry	Director	Appointed 26 July 2021	CEO Federation of Master Builders
Robert J Cumes	Director	Resigned 12 May 2021	Retired Operations Manager
Victoria Burston	Director	Resigned 16 June 2021	Business Owner
Alison W Maunder	Director	Resigned 20 December 2021	Retired volunteer and Nurse

Nominated directors appointed by Tiverton Town Council:

Wallace Burke	Director	Re-nominated 14 May 2019	Town Councillor
Claudette Harrower	Director	Re-nominated 14 May 2019	Town Councillor

Office of the Trust

The office of the Tiverton Almshouse Trust is: The Market House, 18 Bampton Street, Tiverton, Devon EX16 6AA.

Trust Staff

D Woodward	Chief Executive
N Anderson	Finance Administrator
L Brooks	Housing Manager
H Evans	Secretary/Receptionist
G Strong	Handyman/Gardener
M Pike	Cleaner

Resident Wardens

L Pearce	Resident Warden, John Greenway Close
E.Kerrigan	Resident Warden, Greenway Gardens (Appointed 26 th October 2020)

Advisors to the Trust

Auditors:	PKF Francis Clark, Centenary House, Exeter, Devon
Accountants:	William Withers & Co., Quayside House, Tiverton, Devon
Bankers:	Unity Trust Bank, 9 Brindley Place, Birmingham
Solicitors:	Ashfords, Gotham House, Tiverton, Devon
Investment advisors:	Investec Wealth & Investment, Keble House, Southernhay Gardens Stafford House Investments, Aintree House, Taunton
Exeter Commercial surveyors:	Stratton Creber, 20 Southernhay West, Exeter Avison Young, One Kingsway, Cardiff
Property Surveyors:	Assinder Turnham, 6/7 Southernhay West, Exeter

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2021

Structure of the Trustee's Board of Directors

The board of directors comprises of an elected chairman who are voted a year of office at the AGM held every May. The board of directors meets quarterly each year at the Trust's offices where possible or by video call.

In addition, there are four sub-committees:

1. Property & Finance which meets every two months
2. Pastoral (an executive committee) which meets every two months
3. Policy which meets as necessary and not less than twice per year (in practice every two months)
4. Recruitment which meets between November and May each year prior to the retirement by rotation at the AGM and as necessary when a director vacancy arises.

Board meetings are held four times each year with an AGM in May. No business may be transacted at a board meeting unless four directors are present as a quorum.

Following the incorporation, directors approved a governance policy covering the way business is transacted within the sub-committees and within the main board in line with the Articles of Association. The governance policy was reviewed in April 2021.

Director Vacancies

Vacancies for nominated directors are filled by Tiverton Town Council held in accordance with the ordinary practice of the Town Council. They elect two councillors as their representatives on the Trust's board and the term is for four years.

The Articles allow for retirement by rotation meaning that at each AGM one-fifth of the elected directors retire from office. Retiring directors can re-apply for another term and will be asked to meet with the Recruitment Sub-Committee prior to the AGM to discuss their application (see above and below).

The approved policy for recruiting new directors is to advertise following a skills audit of the board and includes provisions for appointment, declarations and managing conflicts of interest/loyalty.

Once appointed, the new director is encouraged to visit all the almshouse sites (if they have not already done so) accompanied by the CEO or Housing Manager. In addition, the new director is invited to sit as an observer on all sub-committee meetings for a period of at least six months to enable them to become familiar with workings of the Trust and the day-to-day issues. After the six-month induction, the new director is encouraged to participate within one or more sub-committees when appointments are made at the AGM.

Appointment and Training of staff

Members of staff are appointed in accordance with the approved policy. Remuneration of all staff is reviewed on an annual basis in April and increases are based upon a comparison with public sector and private sector pay settlements. When available more specific comparisons are made with other almshouse or housing charities of the same size and operation. A rolling programme of training is operated including fire procedures, health and safety risk assessments, food hygiene, first-aid, working at height, safeguarding, lone-working, mental health awareness and data protection.

The Almshouse Association provides the most relevant and practical forum for directors and staff training.

Applying the Charities Code of Governance 2020

The corporate trustee has considered, in detail, the best practice guidelines within the Code. There is an obligation upon charities to apply the Code or explain why they have not.

Some guidelines are not applied for good reason. Contracts with local sub-contractors undertaking small-scale routine maintenance work are kept as verbal contracts in the interest of speed, efficiency, and experience of comparative costs.

Regarding director appointments, the corporate trustee considers that a restriction on length of term would not be in the best interest of the organisation for the following reasons:

- i. There is a robust written procedure on trustee appointments that takes a pragmatic view of the size of Tiverton and the availability of volunteer directors.
- ii. Each director has a peer review at the end of their term with set questions relating to the skills, time and level of commitment they can give to the Trust. Responses are considered by the Recruitment Sub-Committee (which consists of different members each year) and a recommendation is made to

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2021

- the Board at the AGM.
- iii. Past experience has shown that professionals appointed as directors can lead to conflicts of interest and loyalty given the size of the town.
 - iv. Consistency and local knowledge are highly valued by directors.
 - v. Directors consider that it is not the length of term but the added value and input a director can give to the Trust that is important.
 - vi. In the event of a vacancy, directors would be willing to be flexible and adapt current meeting arrangements in order to ensure a diverse board.

Applying the Value for Money Standard 2018

Tiverton Almshouse Trust is a registered social provider and, as such, published annual evidence within these statutory accounts to enable stakeholders to understand our performance as compared with the metrics set out by the regulator, compare those to our peer group and address any areas of underperformance.

Tiverton Almshouse Trust has recently joined the Acuity Benchmarking Group for small social housing providers and our second annual benchmarking report has recently been submitted. Improvements we have made in collecting and collating our data this year has increased the accuracy of the submitted figures.

The Trust scored very highly in terms of resident satisfaction and repairs performance. Our management of voids, regarding costs and the time to turn these around, were at the lower end of the median but it was clear that there were some differences in how organisations accounted for this element of the process.

Our WMC collection and arrears were below the average and our sickness absence figures were the lowest within the group. Our weekly spend per property is in line with similar costs across comparable organisations.

The Trust's repairs and maintenance costs are above the average in some cases as are our overheads but when considered as a proportion of our turnover, it returns the Trust to the median line.

Our Major and Cyclical works are high compared to other organisations in part due to which type of services are considered Cyclical by different organisations; the Trust has recorded the Tunstall emergency call system as cyclical for example.

The standard refers to activities across the board and includes activities relating to the Trust's investment properties where relevant.

There are seven metrics within the standard:

1. **Reinvestment** (the scale of investment into existing housing, acquisition or development of new housing in relation to the size of the asset base). This metric looks at the investment in properties as a percentage of the value of total properties held. The Trust did not acquire or develop any new housing in 2021 and currently operates 83 social housing units. The measure for The Trust in 2021 is 3.53% (2020: 5.67%). In both years the expenditure on existing properties has been a combination of programmed refurbishments of bathrooms to shower rooms and a rolling programme of repairs. The section on Maintenance of Almshouses contains further detail.
2. **New supply delivered** (units acquired or developed in the year as a proportion of existing housing stock). Given there were no additional units acquired the measure is zero (2020: zero).
3. **Gearing** (Proportion of borrowing in relation to the size of the asset base). The Trust's borrowing relates to a mortgage taken out when the 2004 new development of 32 houses was built. The loan is valued at £579,566 at 31 December 2021 representing a gearing of 14.35% (2020: 15.14%). The board is considering taking on a further loan in 2022 to fund a development and continues to review annually the financial benefits of paying off part of the mortgage that is unfixed versus the interest and return on investments.
4. **Earnings before interest, tax, depreciation and amortisation major repairs included** (Indicates liquidity and investment capacity). The EBITDA MRI interest cover seeks to measure the level of surplus that is generated compared to interest payable. The Trust's measure for 2021 is 220.52% (or 2.205 times). 2020: 113.62% (or 1.136 times).
5. **Social housing cost per unit** The Trust's social housing cost per unit for 2021 was £1,914, (2020: £2,937) the applicable costs related to management, repairs and maintenance and service costs which was higher in 2020 due to works to replacing boilers, kitchens, bathrooms and upgrading works.

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2021**

6. A Operating Margin % (Social Housing Lettings Only) demonstrates the profitability of operating assets before exceptional expenses are taken into account. In calculating this only operating costs directly attributable to social housing costs have been included, the margin for the Trust for 2021 was 36.84% (2020: 17.21%).

B Operating Margin % (Overall) as above however including all operating costs against social housing income and rents receivable from investment properties the margin for the Trust for 2021 was 1.89% (2020: -2.32%). The Trust's total expenditure (note 4) has decreased compared to 2020. 2020 also saw an increase in some specific costs areas, partly because of COVID, as well as changes in staffing, resulting in a higher margin this year.

7. Return on capital employed % (ROCE) the metric compares the operating surplus to total assets less current liabilities, the Trust's ROCE for 2021 was 0.69% (2020: 0.13%).

Managing Risk

The Corporate Trustee regularly reviews the potential risks to the Association and aims to take a balanced and proportionate view. Professional advice is taken where necessary and regularly.

Where decisions are taken to commit significant financial resources, the financial return is considered along with the social investment return and the furtherance of the charitable objectives.

Nevertheless, the corporate trustee is acutely aware of the potential risks facing the Trust and a rigorous system of checks and balances is in place and reviewed regularly. A detailed risk register serves to prioritise governance, operational, compliance and external factors that pose the greatest concern and a management plan is enforced to reduce exposure. Greatest risks can be grouped according to residual risk priority and summarised as follows in order of concern:

- i. Regulatory and Statutory
 - a. Changes in government policy leading to reduced income, increased regulation and therefore increased expense and staff time.
 - b. Maximising the positive impact upon beneficiaries but ensuring this is within the parameters of the Charity's objects.
 - c. Governance matters that arise from a small staff team (such as dependence on key staff).
 - d. Recognising the potential for conflicting interests and loyalties given the directors within the corporate trustee are local lay people with numerous local connections and local businesses.
 - e. Reducing the possibility of unknown changes in legislation and regulation (sometimes originating in indirect departments).
- ii. Specific risk mitigation measures relevant to the Financial Statement:
 - a. Fraud: Day-to-day administration procedures are undertaken to reduce the risk of fraud and certain functions (such as payroll) are outsourced. An external financial review was undertaken in 2019 and internal reviews are undertaken as good practice, also a new Fraud Policy and Fraud Response Plan was implemented to the robust list of policies and procedures already in place.
 - b. Loss of Income (Property): Measures are taken to minimise almshouse voids (see report above) by advertising and maintaining close working relationships with local organisations and the local authority. Commercial rent levels have dropped in recent years due to the uncertain economic climate preceded by a recession, but staff strive to ensure good working relationships with commercial tenants, keep the properties in good working order and keep close monitoring of rental payments to minimise the risk of arrears and to maintain continuity of tenants.
 - c. Loss of Income (other assets): An annual investment review is held every November and monitored every two months by the Property & Finance Sub-Committee. An approved Investment Policy is reviewed every year. Discretionary power has been given to the Trust's brokers who manage the largest portfolio, other investment providers are managed funds or deposit accounts. The corporate trustee aims for a wide variety of deposit accounts balancing long term and short-term investments and, as far as reasonably possible, invests no more than the maximum cover provided by the Financial Services Compensation Scheme.
 - d. Unforeseen Property Repair Costs: Quinquennial surveys are commissioned, and the results incorporated into a rolling programme of maintenance within the budget forecast. Unforeseen works are therefore restricted to extraordinary events (such as flooding because of a leak) and usually covered by insurance. Routine maintenance is seen as a core activity.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2021

The chief executive is responsible for the day-to-day management of health and safety matters and directors are also aware of their statutory duties under legislation through regular sub-committees. Risk assessments are carried out annually by the property manager/chief executive and regularly updated throughout the year in a working file. Fire risk assessments are carried out annually by the property manager/chief executive and every three years professionally.

A comprehensive list of policies and procedures is reviewed on a one - three-year rolling programme or because of changing legislation or best practice guideline, whichever is the soonest. Regular staff meetings ensure that new procedures are implemented.

Meetings with residents are held annually where matters of health and safety are discussed and reinforced, including the procedure in the event of a fire. A fire drill is held annually.

Residents are encouraged to ask questions and provide feedback verbally, or in writing or through our suggestion boxes on site. The chief executive sends an annual report to all residents with the results from the residents' satisfaction survey. The Chief Executive and Housing Manager hold a residents' forum each month for residents to individually ask questions and give their feedback. Staff meetings for office employees, including line managers happen as frequently as possible.

Directors and staff remain vigilant on matters of risk and continue to seek advice and updates from legal bodies, the Charity Commission, the Social Housing Regulator, and the Almshouse Association.

Impacts of COVID

2021 saw us continue to adapt to new ways of working to ensure residents, staff and visitors were kept as safe as possible during the pandemic. Operationally we had already implemented several significant changes, which included some staff working remotely from home, residents being contacted by their wardens by phone more and staff and director meetings being conducted by video calls. The Trust risk register was updated to consider all areas of potential risk from the pandemic, both operationally and strategically.

The Trust continued to respond proactively to the COVID pandemic, with our robust risk assessments already embedded in the Trust and put in place all additional measures on top of what we normally provide to keep residents and staff safe and well. Staff were supported with additional computer equipment to work remotely and appropriate PPE. All safety checks continued in relation to fire and legionella. Urgent repairs continued with strict safety measures during any government restricted lockdown periods. The staff team at the Trust worked tirelessly to adapt to the changing landscape and to ensuring residents safety and well-being remained, as always, our priority and focus.

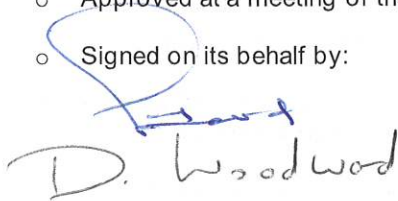
Commercial tenants were supported with flexible payment plans to help them when their retail businesses had to close for periods of time and these payments have now been brought up to date. Our investment portfolios saw some volatility but also some positive bounce back of the investment values.

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2021**

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

- The corporate trustee of the charity which held office at the date of approval of these Financial Statements as set out above, confirms, so far as it is aware, that:
 - there is no relevant audit information of which the charity's auditors are unaware; and
 - it has taken all the steps that it ought to have taken as corporate trustee in order to make itself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

- Approved at a meeting of the corporate trustee held on.....17/5/2022
- Signed on its behalf by:

 ▪ Mr J Pulford – Director (Chairman)
▪ Mrs D Woodward (Chief Executive)

**TIVERTON ALMSHOUSE TRUST
STATEMENT ON INTERNAL CONTROL SYSTEMS
YEAR ENDED 31 DECEMBER 2021**

The corporate trustee is responsible for maintaining a sound system of internal control which:

- focuses on the significant risks that threaten the organisation's ability to meet its objectives; and
- provides reasonable assurance of the safeguarding of assets.

The corporate trustee is also responsible for reviewing the effectiveness of the system of internal control.

The internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the charity is ongoing. This process has been in place for the year ended 31 December 2021 and up to the date of approval of the corporate trustee's report and financial statements and is regularly reviewed by the corporate trustee.

Experienced and suitably qualified management staff take responsibility for important business functions. Appraisal procedures have been established to maintain the standards of performance.

All significant new initiatives, major investments and investment projects are subject to formal authorisation procedures, through the Property and Finance Sub Committee and/or the board.

The Property and Finance Sub Committee reviews reports from senior staff on behalf of the Board and from the external Accountants and separate Auditors to provide assurance that control procedures are in place and are being followed. The Property and Finance Sub Committee informs the Board in this regard on a regular basis.

Procedures have been established for instituting appropriate action to correct weaknesses identified from the above report.

**TIVERTON ALMSHOUSE TRUST CORPORATE TRUSTEES'
RESPONSIBILITIES STATEMENT
YEAR ENDED 31 DECEMBER 2021**

The Charities Act 2011 and registered social housing legislation require the corporate trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its income and expenditure for that period.

In preparing these financial statements, the corporate trustee is required to:

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

The corporate trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. The corporate trustee has general responsibility for taking reasonable steps to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT
TO THE CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST**

Opinion

We have audited the financial statements of Tiverton Almshouse Trust for the year ended 31 December 2021 which comprise the Statement of comprehensive income (including income and expenditure account), Statement of financial position, Statement of changes in equity and reserves, Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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, including its income and expenditure, for the year then ended;
- and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

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 director'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 year of at least twelve months from when the original financial statements were authorised for issue.

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

Other information

The corporate trustee is responsible for the other information. The other information comprises the information included in the report of the corporate trustee, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST (CONTINUED)**

Opinion on other matter prescribed by the Charities Act 2011

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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 requires us to report to you if, in our opinion:

- the information given in the corporate trustee's report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of corporate trustee

As explained more fully in the Corporate Trustee's Responsibilities Statement (set out on page 16), the corporate trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporate trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the corporate 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 corporate trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Based on our understanding of the Trust and nature of the business, we identified the principal risks of non-compliance with laws and regulations as being those which have a direct impact on the preparation of the financial statements, such as The Charities Act 2006, and relevant tax legislation (VAT etc.), as well as legislation governing responsibilities as a social housing landlord. We considered the extent to which non-compliance with these laws and regulations may have a material effect on the financial statements.

**INDEPENDENT AUDITOR'S REPORT
TO THE CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST (CONTINUED)**

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Based on this understanding we designed our audit procedures to identify irregularities. Our procedures involved the following:

- Enquiries of those charged with governance, regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements;
- Review of minutes of meetings of those charged with governance;
- Evaluation of the effectiveness of management's controls designed to prevent and detect irregularities including those applicable to social housing landlords;
- Challenging assumptions and judgements made by management in its significant accounting estimates;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Charity's corporate trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Charity's corporate trustee those matters we are required to state to the corporate trustee 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's corporate trustee as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Francis Clark

PKF Francis Clark, Statutory Auditor

Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

Date: 17/5/22

PKF Francis Clark is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

TIVERTON ALMSHOUSE TRUST
STATEMENT OF COMPREHENSIVE INCOME (INCLUDING
INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED
31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover	2	759,795	769,178
Less: Operating costs	4	765,498	786,986
Operating deficit	5	(5,703)	(17,808)
Income from fixed asset investments		29,334	30,491
Interest receivable and similar income	9	71,171	14,263
Interest payable and similar charges	10	(10,762)	(12,396)
Unrealised/realised gains and losses on investments	12	453,485	102,087
Revaluation of investment properties		(10,000)	80,000
Surplus on ordinary activities for the year before tax		527,525	196,637
Tax on surplus on ordinary activities		-	-
Surplus / (deficit) for the year after tax		527,525	196,637
Total comprehensive income for the year		527,525	196,637

Signed on behalf of the corporate trustee on 17-5-22.

Mr J Pulford – Director (Chairman)



The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF FINANCIAL POSITION YEAR ENDED
31 DECEMBER 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Tangible fixed assets	11		4,040,000		4,040,000
Investment properties	11		2,856,676		2,863,414
Other fixed assets	11		428,163		427,240
Investments	12		3,797,008		3,359,604
			<u>11,121,847</u>		<u>10,690,258</u>
Current assets					
Debtors	13	51,375		49,234	
Cash at bank and in hand		1,023,993		969,601	
		<u>1,075,368</u>		<u>1,018,835</u>	
Creditors: amounts falling due within one year	14	104,630		110,195	
Net current assets			970,738		908,640
Total assets less current liabilities			12,092,585		11,598,898
Creditors: amounts falling due after more than one year	15		546,171		580,009
			<u>11,546,414</u>		<u>11,018,889</u>
Capital and reserves					
Permanent endowment	18		8,794,548		8,610,142
Expendable endowment	18		993,611		903,138
Income and Expenditure reserves	17		1,758,255		1,505,609
			<u>11,546,414</u>		<u>11,018,889</u>

These financial statements were approved and authorised for issue by the corporate trustee on

 17-5-22.

and signed on its behalf by:

Mr J Pulford - Director

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF CHANGES IN EQUITY AND RESERVES
YEAR ENDED 31 DECEMBER 2021

	Permanent Endowment £	Expendable Endowment £	Other Reserves £	Total £	2020 £
At 31 December 2020	8,610,142	903,138	1,505,609	11,018,889	10,822,253
Surplus for year before gains and losses from investments	-	-	84,040	84,040	14,550
Unrealised/realised gains and losses on investments	194,406	90,473	168,606	453,485	102,086
Revaluation of tangible fixed assets	(10,000)	-	-	(10,000)	80,000
Total comprehensive income	184,406	90,473	252,646	527,525	196,636
Transfers	-	-	-	-	-
At 31 December 2021	8,794,548	993,611	1,758,255	11,546,414	11,018,889

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF CASHFLOWS
YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Note	£	£
Net cash flow from operating activities	23	52,102	(295,841)
Cash flow from investing activities			
Rents received from investment properties		-	257,271
Payments to acquire tangible fixed assets		(6,289)	(259,258)
Proceeds from sale of investments		26,464	8,517
Purchase of investments		-	(278,748)
Interest received		6,171	11,573
Dividends received		29,334	30,491
Net cash flow from investing activities		55,680	(230,154)
Cash flow from financing activities			
Repayment of long-term loans		(43,007)	(43,620)
Net cash flow from financing activities		(43,007)	(43,620)
Net increase / (decrease) in cash and cash equivalents		64,775	(569,615)
Cash and cash equivalents as at 1 January 2021		991,497	1,561,112
Cash and cash equivalents as at 31 December 2021		<u>1,056,272</u>	<u>991,497</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		1,023,993	969,601
Cash held as part of investment portfolio		32,279	21,896
		<u>1,056,272</u>	<u>991,497</u>

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General information and basis of preparation

Tiverton Almshouse Trust is incorporated under the Charities Act 2011 and is a Registered Provider of Social Housing in the United Kingdom.

Tiverton Almshouse Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2019, and the Charities Act 2011.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements are prepared in sterling, which is the functional currency of Tiverton Almshouse Trust and rounded to the nearest £.

The registered office is disclosed in the Report of the Corporate Trustee.

Housing properties

Housing properties are principally properties available to beneficiaries of the trust in return for weekly maintenance contributions.

Housing properties are included at deemed cost and are reviewed for impairment at the end of each reporting period.

Investment Properties

Investment properties are principally properties available to tenants of the trust in return for a commercial rent.

Investment properties are included at valuation, representing fair value and at each reporting date any changes in fair value are recognised in the statement of comprehensive income. Professional valuations are undertaken on a 5-year rolling cycle.

Investment properties are reviewed for impairment at the end of each reporting period.

Fixed assets and Depreciation

Other fixed assets are stated at cost, less accumulated depreciation. Depreciation is charged on a straight-line basis at rates anticipated to write off the cost of the asset, at the following annual rates:

Housing properties	Nil
Freehold property	Nil
Computer equipment	33.33%

There is no depreciation charged this year against housing properties or freehold property as the corporate trustee believes the residual values are not lower than the current carrying value in the balance sheet. This opinion is based on the valuation of The Market House offices in 2018 and the valuation work down on the housing properties in 2019. It is the corporate trustee's opinion that the local housing market remained static over the 2021 year, and they will be reviewing this throughout the 2022 financial year.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently they are measured at fair value through the statement of comprehensive income.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2021

Debtors and creditors receivable/payable within one year

Debtors and creditors payable within one year are recorded at transaction price.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs and then subsequently adjusted for principal repayments and interest charged.

Revaluation surpluses and deficits

Where market value is not readily available, the Corporate trustee estimates market value. Revaluations of investments are reported in the Statement of Comprehensive Income.

Leased Assets

Rentals payable under operating leases are charged to the income and expenditure account on a straight-line basis over the period of the lease.

Government grants

A social housing grant was received back in 2004 as a contribution towards the capital cost. The grant was previously deducted from the cost of the housing properties. However, as the housing properties are accounted for using the valuation model, grants should now be accounted for using the performance model which means that grants are recognised as income once the performance conditions have been met. This change has not altered the overall value of reserves.

Current Taxation

No taxation is payable by the charity, since it has charitable status and its activities are exempt from tax.

Value Added Tax

Irrecoverable VAT which can be attributed to capital items or revenue expenditure is added to the cost of the capital item or expenses where practicable and material.

Pension Costs

The charity operates a defined contribution scheme for the benefit of its employees. The costs of contributions are written off through the income and expenditure account in the year they are payable.

Dilapidations

Monies receivable in respect of dilapidations are generally not accounted for until they can be determined with reasonable accuracy.

Turnover

Turnover is measured at the fair value of the consideration received or receivable.

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from almshouse voids.

Interest and dividends receivable

Interest and dividend income is recognised as Tiverton Almshouse Trust's right to receive payment is established.

Key judgements and estimates

The following judgements and estimates have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

The corporate trustee has established a five-year cycle for investment properties to be valued by an external RICS qualified surveyor. In the intervening years the remaining properties are valued by the corporate trustee having regard to all risks, the yield, the strength of the market and comparison with similar properties.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2021

2. TURNOVER

	2021	2020
	£	£
Rents receivable excluding service charges	427,262	420,589
Service charges receivable	99,507	99,632
Rent and service charge losses from voids	(3,789)	(8,554)
Guest room income	-	240
Social Housing Turnover	522,980	511,907
Investment property income	236,815	257,271
	<u>759,795</u>	<u>769,178</u>

3. UNITS IN MANAGEMENT

	2021	2020
Social housing for older people	83	83
Warden accommodation	3	3
	<u>86</u>	<u>86</u>

4. OPERATING COSTS

	Support Costs £	Social Housing £	Investment Properties £	Total 2021 £	Total 2020 £
Estate management costs:					
Wages and salaries	-	50,580	50,580	101,160	99,705
Estate costs					
Repairs and maintenance	-	142,781	91,862	234,643	259,843
Professional fees	-	26,942	27,741	54,683	56,382
Utilities	-	77,452	29,419	106,871	113,424
Insurance	-	16,528	8,622	25,150	25,172
Sundry expenses	-	5,327	3,831	9,158	5,877
Waste	41	6,721	-	6,762	7,187
Cleaning	928	3,999	1,996	6,923	7,914
Administrative costs					
Wages and salaries	163,583	-	-	163,583	154,879
Staff recruitment costs	90	-	-	90	-
Office running costs	25,512	-	-	25,512	23,030
Audit services	3,780	-	-	3,780	3,570
Accountancy services	8,324	-	-	8,324	13,971
COVID19 expenses	2,078	-	-	2,078	-
PI insurance	578	-	-	578	578
Subscriptions	3,042	-	-	3,042	2,295
Bank charges	908	-	-	908	1,060
Depreciation	2,104	-	-	2,104	2,607
Investment mgm't fees	10,149	-	-	10,149	9,492
	<u>221,117</u>	<u>330,330</u>	<u>214,051</u>	<u>765,498</u>	<u>786,986</u>
Apportionment	<u>(221,117)</u>	<u>120,339</u>	<u>100,778</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>450,669</u>	<u>314,829</u>	<u>765,498</u>	<u>786,986</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2021

5. OPERATING DEFICIT

	2021	2020
	£	£
Operating deficit is stated after charging:		
Operating leases - other assets	<u>1,524</u>	<u>1,524</u>

6. AUDITORS' REMUNERATION

	2021	2020
	£	£
Audit services	3,780	3,570
	<u>3,780</u>	<u>3,570</u>

7. BOARD OF DIRECTORS OF THE CORPORATE TRUSTEE AND KEY MANAGEMENT PERSONNEL REMUNERATION

	2021	2020
	£	£
The aggregate emoluments payable to key management personnel excluding employer pension contributions	70,540	70,590

The chief executive is not a member of the charity's defined contribution pension scheme. However, the charity makes contributions to their personal pension plan. During the period the total amount contributed to the personal pension was £5,032 (2020: £4,873).

The Board of Directors of the corporate trustee received no expenses or remuneration in the year.

8. EMPLOYEE INFORMATION

	2021	2020
The average number of persons employed during the year expressed in full time equivalents (16 hours or more per week) was:		
Office staff	5	5
Wardens, cleaners and handyman	<u>4</u>	<u>4</u>
	<u>9</u>	<u>9</u>
	£	£
Staff costs (for the above persons)		
Wages and salaries	233,130	219,068
Employer's National Insurance Contributions	17,800	20,256
Other pension costs	<u>13,813</u>	<u>15,259</u>
	<u>264,743</u>	<u>254,583</u>

During the year one employee earned more than £60,000 (2020: one employee).

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2021

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £	2020 £
Interest received	6,171	11,573
Miscellaneous income	65,000	2,690
	<u>71,171</u>	<u>14,263</u>

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £	2020 £
Mortgage interest	10,762	12,396
	<u>10,762</u>	<u>12,396</u>

11. TANGIBLE FIXED ASSETS

	Housing Properties £	Investment Properties £	Freehold Property £	Computer Equipment £	Total £
COST OR VALUATION					
At 1 January 2021	4,040,000	2,863,414	425,000	12,237	7,340,651
Additions	-	3,262	-	3,027	6,289
Revaluation	-	(10,000)	-	-	(10,000)
At 31 December 2021	<u>4,040,000</u>	<u>2,856,676</u>	<u>425,000</u>	<u>15,264</u>	<u>7,336,940</u>
DEPRECIATION					
At 1 January 2021	-	-	-	9,997	9,997
Charge for year	-	-	-	2,104	2,104
At 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,101</u>	<u>12,101</u>
NET BOOK VALUE					
At 31 December 2021	<u>4,040,000</u>	<u>2,856,676</u>	<u>425,000</u>	<u>3,163</u>	<u>7,324,839</u>
At 31 December 2020	<u>4,040,000</u>	<u>2,863,414</u>	<u>425,000</u>	<u>2,240</u>	<u>7,330,654</u>

HOUSING PROPERTIES

Housing properties comprise freehold land and buildings and are included at deemed cost of £4,040,000 (historic cost: £4,288,895).

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2021

INVESTMENT PROPERTIES

The corporate trustee has established a five-year cycle for investment properties to be valued by an external RICS qualified surveyor.

For the 2021 year, all investment properties held were valued by the corporate trustee on the basis of fair value as at 31 December 2021.

Valuation is represented by:	2021	2020
	£	£
Historical cost	296,927	296,927
Revaluation	2,559,749	2,566,487
	<u>2,856,676</u>	<u>2,863,414</u>
Revaluation:	2021	2020
	£	£
Balance as at 31 December 2020	2,566,487	2,580,573
Net of additions and transfers	3,262	(94,086)
Revaluation	(10,000)	80,000
Balance as at 31 December 2021	<u>2,559,749</u>	<u>2,566,487</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2021

12. INVESTMENTS HELD AS FIXED ASSETS

(Financial assets measured at fair value through the surplus/ (deficit))

	2021 £	2020 £
MARKET VALUE OF LISTED INVESTMENTS		
At 31 December 2020	3,359,604	3,250,522
Additions	-	262,261
Income reinvested	-	16,487
Disposal proceeds	(26,464)	(8,517)
Realised gains/(losses)	9,332	(4,327)
Unrealised gains/(losses)	444,153	106,414
At 31 December 2021	<u>3,786,625</u>	<u>3,622,840</u>
Cash held as part of investment portfolio (movement)	10,383	(263,236)
	<u>3,797,008</u>	<u>3,359,604</u>
Historical cost	<u>2,592,324</u>	<u>2,593,996</u>

13. DEBTORS – ALL RECEIVABLE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors		
Social housing rent arrears	1,655	4,346
Social housing utility arrears	-	114
Other	1,824	8,123
	<u>3,479</u>	<u>12,583</u>
Prepayments and accrued income	41,985	32,482
Other debtors	5,911	4,169
	<u>51,375</u>	<u>49,234</u>

14. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Mortgages	33,395	31,802
Trade creditors and rents paid in advance	20,531	43,437
Other creditors and accruals	50,704	34,956
	<u>104,630</u>	<u>110,195</u>

15. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Mortgages	<u>546,171</u>	<u>580,009</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2021

16. MORTGAGES

(Financial liabilities measured at fair value through the surplus/ (deficit)).

	2021 £	2020 £
Analysis of maturity of debt:		
Less than one year or on demand	33,395	31,802
Between one and two years	33,948	32,394
Between two and five years	105,297	100,871
After five years	406,926	446,744
	<u>579,566</u>	<u>611,811</u>

The mortgages mature in July 2037.

Capital is repayable in monthly instalments, which commenced in August 2004. Interest is charged at 2.95% and LIBOR +0.65%.

The mortgages are secured on certain freehold housing and investment properties.

17. INCOME AND EXPENDITURE RESERVES

	2020 £	Surplus for year £	Revaluation £	Transferred £	Utilised £	2021 £
Programme of works fund	20,814	-	-	65,155	(65,155)	20,814
Extraordinary repair fund	41,112	-	-	1,721	-	42,833
Cyclical maintenance fund	60,110	-	-	36,921	(33,631)	63,400
Routine works	45,436	-	-	45,992	(43,995)	47,433
Other	1,338,137	84,040	168,606	(149,789)	142,781	1,583,775
	<u>1,505,609</u>	<u>103,717</u>	<u>169,439</u>	<u>-</u>	<u>-</u>	<u>1,758,255</u>

Tiverton Almshouse Trust has established a regular programme of works.

Part of other reserves has been earmarked by the corporate trustee for a particular purpose. Such designations may be reversed by future Trustee decisions.

Expenditure is taken through the income and expenditure account. A transfer is then made as appropriate.

18. CAPITAL AND RESERVES

Permanent Endowment

These reserves represent the current value of the Housing and Investment Properties together with the current value of any other investments that were held at the date of the merger and cash deposited with Standard Life on behalf of Alexandra Lodge Trust as at the date of the merger.

Expendable Endowment

These reserves represent the current value of any investments purchased since the merger.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2021

19. LEASING COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Not later than one year	1,524	1,417
Later than five years	<u>1,524</u>	<u>1,417</u>

20. PENSION COSTS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £8,781 (2020: £10,386).

21. RELATED PARTY TRANSACTIONS

As at the 31 December 2021 two directors of Tiverton Almshouse Trustee Limited were councillors / employees of related Local Authorities.

Any transactions with the Local Authorities were at arms-length on normal commercial terms and these individuals were not able to use their position to their commercial advantage.

22. CONTROL

The ultimate controlling party is the board of directors of Tiverton Almshouse Trustee Limited

23. RECONCILIATION OF OPERATING SURPLUS / (DEFICIT) TO CASH FLOW FROM OPERATING ACTIVITIES

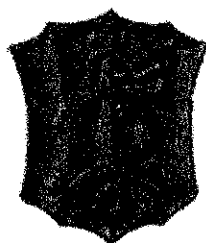
	2021 £	2020 £
Surplus / (deficit) for the year	527,525	196,637
Rents received from investment properties	-	(257,271)
Mortgage interest paid	10,762	12,396
Interest received	(6,171)	(11,573)
Dividends received	(29,334)	(30,491)
Depreciation and impairment of tangible fixed assets	2,104	2,607
Realised (gain) / loss on disposal of investments	(9,332)	4,327
Unrealised (gains) / loss on investments	(444,153)	(106,414)
Revaluation on tangible fixed assets	10,000	(80,000)
(Increase) / decrease in trade and other debtors	(2,141)	(18,211)
Increase / (decrease) in trade and other creditors	(7,158)	(7,848)
Net cash flow from operating activities	<u>52,102</u>	<u>(295,841)</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2021

25 ANALYSIS OF CHANGES IN NET DEBT

	2020	Cashflows	Non-cash changes	2021
	£	£	£	£
Long-term borrowings	580,009	-	(33,838)	546,171
Short-term borrowings	31,802	(32,245)	33,838	33,395
Total liabilities	611,811	(32,245)	-	579,566
Cash and cash equivalents	(991,497)	(64,775)	-	(1,056,272)
Total	(379,686)	(97,020)	-	(476,706)

Registered Social Landlord number: A1070
Registered Charity number: 206984



Report of the Trustees and Audited Financial Statements
For the Year Ended 31 December 2021
For
TIVERTON ALMSHOUSE TRUST

TIVERTON ALMSHOUSE TRUST
Contents of the Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2021

	Page
Report of the Corporate Trustee	1-13
Statement on internal control systems	14
Corporate Trustees' responsibilities statement	15
Independent Auditor's report	16-18
Statement of comprehensive income (including income and expenditure account)	19
Statement of financial position	20
Statement of changes in equity and reserves	21
Statement of cash flows	22
Notes to the financial statements	23-32

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2021

The Corporate Trustee presents this report with the financial statements of the charity for the year ended 31 December 2021.

INTRODUCTION

The Corporate Trustee is pleased to report that the agreed objectives central to the work of the Tiverton Almshouse Trust of maintaining and improving core charitable activities, planning for the future and delivering a healthy financial position have been satisfied.

Tiverton Almshouse Trust is regulated by the Charity Commission and the Regulator of Social Housing (formerly the Homes & Communities Agency).

This report includes references to the Financial Statements attached and aims to address the regulatory requirements of the Regulator of Social Housing three economic standards: Value for Money, Governance & Financial Viability and the Rent Standard, throughout, as part of the reporting structure.

The total income this year in 2021 from charitable activities and other income was £860,300 (2020: £813,932). The total expenditure was £776,260 (2020: £799,382). The gain on investments was £453,485, which includes an unrealised gain of £444,153 and a realised gain of £9,332. The surplus for the year is £527,525.

CODE OF GOVERNANCE

The Charities Code of Governance 2020 has been adopted by the Board in line with Charity Commission guidance. Tiverton Almshouse Trust falls between the Code for smaller and larger charities (defined as turnover below and above £1m respectively). The Board aspires to meet the recommendations set out for larger charities whilst maintaining a level of proportionality. The Code is produced by the NCVO, ICASA, ACEVO, Association of Chairs and the Small Charities Coalition with the oversight of The Charity Commission

1. OBJECTIVES AND ACTIVITIES

The objects of the Tiverton Almshouse Trust in the Scheme made by the Charity Commission dated 10 September 2009 (as amended by the Scheme dated 28 July 2014) are:

- a. the provision of housing accommodation for poor persons not less than 60 years old who have lived in the area of benefit for not less than 2 years prior to the appointment.
- b. such charitable purposes for the benefit of the residents as the Corporate Trustee decides
- c. the relief of persons resident in the area of benefit who are in financial hardship by:
 - i. making grants of money to them; or
 - ii. providing or paying for goods, services or facilities for them; or
 - iii. making grants to other organisations or institutions which provide goods, services or facilities for those in financial hardship.

The use of income and capital must firstly be applied to meet the proper costs of administering the charity and managing its assets (including repair and insurance of its buildings) and to make annual payments into the reserve funds considered necessary in the annual budget.

The remaining income to further the objects of the charity are made in the following order of priority:

- a. the benefit of the residents
- b. the relief of financial hardship of persons living in the area of benefit (which is Tiverton and environs).

The greatest activity within the Trust is the maintenance of its properties. In addition to almshouse accommodation, the Trust also owns investment property in Tiverton.

The board considers that the objects are still relevant to the work of the charity. The popularity of the almshouse accommodation, the low level of voids and the financial security of the organisation means that it achieves, and can sustain, its objectives.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2021

Plans for the future address how those objectives can be taken forward to enable beneficiaries to continue to benefit from the Trust's charitable activities as the government and society shifts to take care of a higher proportion of an ageing and frail older population.

Public Benefit

In carrying out the Trust's aims and objectives and in measuring achievements and performance, the Corporate Trustee has had regard to the Charity Commission's guidance dated February 2014 entitled "Public Benefit: rules for charities". Given that the Trust's objective is the relief of poverty (see objects above) only the benefit aspect of "public benefit" requires satisfying. The Commission specifies that the purpose of the charity must be beneficial in a way that is identifiable and capable of being proved by evidence where necessary and not based on personal views. The most quantifiable measure to identify whether the charity has a benefit to the local population eligible for accommodation is the low level of voids within the almshouses.

Tiverton Almshouse Trust almshouse properties are usually fully occupied with no voids (a void is defined as an empty flat awaiting allocation with no further redecorating or refurbishment required before it is occupied). The National Almshouse Association considers a 5% minimum void rate is acceptable and a void allowance of up to 12.5% may be suitable for small groups of almshouses, given the specific beneficiary group they serve. That would indicate that 4 to 9 of the Trust's properties could be void at any one time. The Trust had no voids throughout the year in 2021, under the above definition.

In line with the Trust's governing scheme 2009, the charity provides housing for local people over 60 years old and in financial need. Through regular advertising, open days, contact with Mid Devon District Council, and local voluntary agencies and local charities such as the Churches Housing Action Trust (CHAT) the Trust reaches a wide audience. The Trust has a list of eligible applicants waiting for accommodation and they are from a wide variety of backgrounds indicating that the Trust is reaching its beneficiary group. Nevertheless, the Corporate Trustee strives to raise the profile of the Trust within the town still further and the Strategic Plan has specific targets for ensuring wider awareness. The rigorous application of a points system ensures each applicant meets the required criteria, enables each applicant to be prioritised primarily based on financial need. The applicant in greatest need at the time a vacancy arises is offered the accommodation regardless of how long they have been known on the list.

During 2021 nine vacancies arose (eleven in 2020). We were able to carry out significant refurbishment, including replacing kitchens and bathrooms with these larger projects taking on average four-five weeks to complete. The Trust was able to secure new residents immediately as it maintains a detailed list of eligible local people in need who had been previously interviewed so that they could be offered any vacant almshouses as soon as they were available. In some cases, in flats where minimal work was needed, the turnaround in the flat getting it ready for the new resident was just one week.

Properties

In total there are 83 almshouses, and three units are occupied by two Resident Wardens and the Housing Manager. The almshouses are on three geographically separate sites within Tiverton, namely:

- (i) Greenway Gardens, King Street
- (ii) Slee's, Angel Terrace
- (iii) John Greenway Close, Gold Street

The accommodation is designed for independent living, as residents get older, the Trust continues to support them for as long as possible and some residents receive third party care packages, social/community services assistance and support from the mental health team as required.

Tiverton Almshouse Trust owns the freehold of several commercial properties in the centre of Tiverton comprising retail and residential flats as well as two office buildings known as Raymond Penny House and John Greenway Building in the centre of town. The Trust also owns two terraced houses in Westex, Tiverton.

Going Concern

After a detailed review and examining major areas which could give rise to significant financial risk, the directors are satisfied that no material exposures exist other than as reflected in these Financial Statements and the Trust has adequate resources to continue its operations for the foreseeable future. The directors and management team review quarterly budgets with our external accountant, which include a minimum forecast 12-month period as well as a programme of works for 5 years. Cash liquidity is monitored through our updated summaries of cash and investments which the board review in detail at Property & Finance meetings 5 times a year and at the board meeting 4 times a year. We have also engaged an independent financial advisor from Stafford House Investments, Andrew Mayne, to produce an annual report to review all our investments in terms of risk. Tiverton Almshouse Trust is not dependent on investment income and market performance.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2021

We receive a steady income from commercial rents and weekly maintenance contributions from our almshouse residents, which meets our annual running costs. Large one-off projects regarding property development and/or significant repairs are reviewed against cash liquidity and available funds, which do not form part of the trusts permanent endowed fund. Five-year quinquennial inspections are carried out by Assinder Turnham on all our properties on a rolling programme, so we can plan for large expenditure required over coming years and factor into our budget if affordable. The board and management team review our reserves and investment policies annually. We review our detailed risk register regularly looking at potential financial risk areas, particularly considering Brexit, COVID, inflation, interest rate rises and any impacts these would have on the Trust. We apply stress tests to potential risk scenarios related to our almshouse and commercial income and expenditure and how this may affect our budgets and strategic objectives.

2. ACHIEVEMENTS AND PERFORMANCE

Maintaining Properties

The Charity Commission Scheme clearly states that the main object of the charity is to provide almshouses for a specified group of local people. Income and capital must first be used to meet the proper costs of administering the charity and repairing, maintaining and insuring the buildings.

Total expenditure decreased by £23,122 to £776,260 in 2021. The major factor to this decrease is repair costs, which reduced by £25,200 compared to the 2020 year. 2020 included essential almshouse works and boiler replacements. Note 4 to the Financial Statements provides a comparison and more detail is provided below.

In 2021, and in line with the quinquennial surveys, the Trust undertook a budgeted programme of works and cyclical maintenance. All significant contracts for programmed works and significant repair works are put out to tender. The specification and contract administration (including tender administration and reporting) has been undertaken this year by Assinder Turnham, Chartered Surveyors. Minor routine maintenance is undertaken either by the Trust's handyman or by one of an approved number of sub-contractors. Quotes are not required for work anticipated to be less than £3,000 to avoid inefficiency and wasted staff time and sub-contractor time. Sub-contractors are required to breakdown labour and parts entries on invoices and, where possible, discounts for regular work are requested and often granted. All invoices are reviewed three times – by the Finance Administrator, the Chief Executive and finally a director before being approved for payment. At the end of the year, all almshouse, residential and commercial properties were fully let apart from one commercial building, where the lease finished after 50 years, in early 2021, and the property has been awaiting planning permission for the Trust to redevelop the building and site, to create two retail units and 8 new almshouse homes in the near future. Planning permission was granted on 26 March 2022.

Maintenance of Almshouse Properties

Of the £776,260 total operating costs and interest payable in 2021 for all properties (investment properties and almshouses combined) £142,781 was spent on almshouse maintenance by way of programmed works, general redecoration and, where necessary redecoration and refurbishment of the nine flats that became vacant. Within the programmed works are two rolling programmes, namely: boiler replacement and kitchen upgrades/bath replacement with showers at John Greenway Close and Greenway Gardens. There were no boiler replacement costs this year (2020: £75,141). However, bathroom and kitchen replacements were £34,533 (2020: £80,853).

Increased regulation means increased routine checks, which continue to present additional financial cost and staff time. The two most costly regulatory functions relate to legionella prevention and fire safety. The monthly, six-monthly, and annual checks for monitoring water hygiene systems to reduce the risk of legionella cost the Trust £5,818 in 2021 (2020: £5,949). This reduction is a result of undertaking less remedial work than in the previous year.

To routinely check fire detection systems the cost in 2021 was £5,514 (2020 £5,498). Where staff carry out routine checks, but specialist services are more frequently required to fulfil legal obligations. The requirement to meet more robust guidance and regulations in buildings of differing ages and styles means the Trust is reliant on specialist contractors to carry out some of the works. Quotes are invited for these work, and annual contracts are then awarded.

Residents' Satisfaction

The Trust is committed to improving services and to reviewing what are the most prominent issues and priorities for our residents by gathering their valuable feedback. We conduct an annual residents' satisfaction survey, results for 2021 are below compared to 2020 results.

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2021**

Residents Satisfaction Survey	2021	2020
Satisfaction with overall service	100%	95%
Satisfaction with the overall quality of your home	100%	93%
Satisfaction of feeling safe living in your almshouse	99%	100%
Satisfaction that your weekly maintenance contribution provides value for money	96%	94%
Satisfaction that your utility contribution charge provides value for money	97%	95%
Satisfaction with repairs and maintenance	96%	95%
Satisfaction that Tiverton Almshouse Trust listen to your views and acts upon them	96%	95%

The Trust is a member of a benchmarking group called Acuity to compare the annual costs of running the almshouse properties with similar almshouse charities and small housing associations across the country. Our level of residents' satisfaction scores very favourably with other organisations. We sit just below the median for spend on reactive repairs and just above for cyclical and major repairs. We have invested in a bespoke property management system for the Trust and introduced cloud-based IT systems, which will help going forward in recording more detailed data for benchmarking.

Investment Property Maintenance

Expenditure on day-to-day maintenance on the Trust's investment properties was significantly less than on almshouse properties, which is to be expected given the tenancy agreements on the former which oblige commercial tenants to keep properties in good and tenable repair. In 2021 the routine and cyclical maintenance expenditure for the Trust on these properties was £91,862 (2020: £30,964), primarily consisting of servicing and general repairs and including the planned works.

Provision of Almshouse Accommodation

Tiverton Almshouse Trust is a social housing provider registered with, and regulated by, the Regulator of Social Housing. The Trust is also a registered charity with the Charity Commission. The main purpose of the organisation is to provide housing to local people over 60 years of age and in financial need. Applications are encouraged from anyone who believes they fulfil the basic three criteria and are scrutinised in line with an internally approved policy which is regularly reviewed (at least every three years) to ensure consistency and relevance (see below).

Two out of our three sites have a Resident Warden. The third site, known as Slees, is a historic building in the town centre comprising three flats. Residents at Slees are not visited regularly by a Resident Warden but the House Manager will visit as necessary. This is because, in general, residents at Slees need to be more independent and mobile due to the restrictive historical layout.

The Resident Warden's remit is to ensure the daily well-being of all residents and although they are not medically trained and do not provide personal care, they assist residents in day-to-day living. Their role can be described as "being a good neighbour". There is a 24-hour emergency call system within Greenway Gardens and John Greenway Close enabling residents to access emergency help at all times of the day and night. The Resident Wardens maintain regular contact with family members when necessary or when a resident is unwell. Resident Wardens also provide a variety of social activities where residents are invited, but are not obliged, to attend. These are held within the Community Room on the two main sites. With COVID restrictions in 2021, the Trust has reduced group numbers down for any activities or events and maintained its robust covid management processes to ensure the safety of residents and staff.

There are 6 meetings a year attended by appointed Directors of the Pastoral Sub-Committee, the Chief Executive, the Housing Manager and Resident Wardens to discuss resident issues and management of the sites. Directors on this committee review the waiting list for vacant almshouses and attend informal chats with new applicants to determine eligibility for almshouse accommodation. With the COVID virus, this has proved difficult for Directors and the responsibility has been delegated to the CEO and Housing Manager. It is hoped that Directors can become more closely involved again in the future.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2021

Residents pay a Weekly Maintenance Contribution for their accommodation and a contribution to water supply and gas (Utility Contribution). Weekly Maintenance Contributions (WMC) vary from £94.04 per week to £110.95 per week depending on the accommodation that is provided. In addition, all residents pay a £24.98 Utility Contribution based on single occupancy and £31.23 per week based on double occupancy.

The Corporate Trustee aims to keep resident contributions as low as possible considering the rent standard provided by the Regulator of Social Housing (RSH) and equivalent fair rent assessments from the Valuation Office Agency (VOA). The latest VOA assessment was undertaken in March 2020. In addition, the Chief Executive consults with Mid Devon District Council on any WMC increase to ensure that those residents who require assistance can access 100% of the rent payment through housing benefit if eligible.

The Corporate Trustee strives to ensure a fair, consistent and transparent process when allocating almshouse accommodation. There is an approved policy within the Trust to advertise in the local newspaper, website if necessary, maintain regular contact with local support organisations, the Churches Housing Action Trust (CHAT) as well as Devon Home Choice (the bidding portal for local authority housing and housing associations). Adverts are also placed in Mid Devon District Council's reception. All applicants must complete a detailed application form, including a financial information section and be interviewed by the Housing manager and CEO. A points system is in used to ensure consistency. Those applicants placed on the list awaiting allocation are regularly reviewed and applicants are encouraged to keep in touch with the Housing Manager.

A good working relationship with Mid Devon District Council and local housing charities ensures a wide-ranging local awareness of the almshouses as well as video presentations to local groups and articles in local papers. Innovative ways to widen the search for applicants are put in place and once an applicant is accepted in principle a priority weighting system ensures the applicant in greatest need is offered any vacancy first, in accordance with our governing scheme.

The continuing lack of care homes within the town and surrounding means that residents are staying in their homes longer than in previous times. Social care support is now provided at home and hospital admissions generally reserved for emergencies, which means that care agencies and health professionals are frequently on site and we work together in partnership for the benefit of the residents.

Alexandra Lodge

Planning permission was granted in 2015 to The Abbeyfield Society for the redevelopment of Alexandra Lodge, an empty listed house in gardens within the town, for a 45-bed extra-care unit. The freehold of the property is owned by Tiverton Almshouse Trust and, following planning permission, a 250-year lease was signed to The Abbeyfield Society. Since then, progress has been slow and due to financial issues Abbeyfield may not be able to continue with their plans for this site. Tiverton Almshouse Trust are in communications with Abbeyfield to see the options that they are pursuing to ensure the site is able at some point in the future to be developed by another organisation to ultimately benefit the people of Tiverton.

Relief of Financial Hardship

The additional objectives of the charity allow for the relief of poverty for local people who are in financial hardship by making grants of money to them or making grants to other organisations or institutions with similar aims. The amount of money donated to achieve this objective is considered by the Corporate Trustee at the AGM each year and the donation may be approved to a local organisation with similar aims. No donations were made in 2021.

3. FINANCIAL REVIEW

The Corporate Trustee reviews its reserves and the non-designated funds and expendable endowment to be used for "the proper costs of administering the charity and of managing its assets" (Charity Commission Scheme September 2009). A Reserves Policy addresses the Expendable Endowment and designates funds to the actions approved in the strategic plan. There are regular reviews of operational risks and requirements, sufficient reserves are maintained in order to address these requirements.

As stated in the Investment Policy, the objective of the Corporate Trustee in holding investments within a share portfolio is to produce the best financial return and capital growth within an acceptable risk and to balance the income and capital return.

The four risks identified in the report last year still stand, namely:

- i. Capital growth not keeping up with inflation thereby leading to a decline in the real value of the investment
- ii. Fluctuating income from share portfolios and deposit accounts due to COVID-19 pandemic

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2021**

iii. Bank default

iv. The unknown effect of the brexit

To limit the above risks the board has delegated certain decisions to the Property & Finance Sub-committee (which consists of over half of the board's number) including allowing those members to re-invest maturing funds subject to the current Financial Services Compensation Scheme Limit. This allows decisions to take advantage of available investment offers (especially fixed rate bonds open for a short time) by acting in a timely manner. All investments, apart from those held within share portfolios, are monitored at every sub-committee meeting.

Shareholding portfolios are managed by professional brokers and/or fund managers and an annual review is undertaken at the November board meeting of the Corporate Trustee. An external investment review takes place annually.

The Corporate Trustee has considered ethical investments in line with ensuring that investments are not made into companies with opposite values from that of the Trust and has therefore put restrictions on investing in any fund that is linked to the production or sale of Tobacco.

It also considered companies who seek to make people homeless, however, this would be difficult to monitor and enforce. It was decided not to impose this ethical restriction. The Corporate Trustee accepts that the ethical values of individual directors must not compromise policy decisions.

The Statement of Comprehensive Income, and supporting note 2, shows that income received from almshouse residents' weekly contributions (including service charges) has increased by £6,673 (2%), primarily as a result of the annual review of charges in April. The Corporate Trustee is mindful of maximising income (for the charity's future sustainability) commensurate with fulfilling the Charity Scheme objective to ensure no resident suffers financial hardship.

Operating costs (note 4) show some changes from the previous year. There has been a marginal increase in the contracted management hours, and administrative wages and salary costs increased in 2021 by £8,704, compared with 2020, which was more in line with the 2019 year. Overall wage costs are up by £10,159 compared to 2020.

The income from fixed asset investments (shareholdings and deposits) decreased by £6,559 over the year mainly due to the continued volatile market caused by the COVID-19 pandemic. The portfolio of investments is valued at £3,797,008 (2020: £3,359,604).

The annual total return on the managed portfolio is reflected in Note 12, with realised and unrealised gains of £453,485 (2020: £102,087).

For 2021 the directors decided not to reinvest the income from the managed portfolio but to receive it as dividends and interest. The impact of this decision can be seen in Note 12 where income reinvested has decreased from £16,487 in 2020 to zero in 2021. From November 2021, the directors have agreed again to reinvest any income from the managed portfolio.

Rents receivable from investment properties have decreased to £236,815, compared to the 2020 year (£257,271). This is because one commercial property that will be redeveloped into two retail units and 8 new almshouses has been vacant since the start of 2021 awaiting planning permission, which has now been granted in March 2022.

Professional valuations are undertaken on our commercial and residential investment properties, on a five-year rolling programme. This year, no formal valuations were carried out, and instead informal valuations were undertaken by the corporate trustee in 2021 on the almshouse and investment properties and they are kept at 2020 levels. Almshouse properties are included under the cost model and do not form part of the annual valuation cycle.

Permanent endowment (identified as investment properties, housing properties and other investments agreed as such by the Charity Commission as part of their investigations prior to the merger in 2009) has increased from £8,610,142 to £8,794,548, reflecting the unrealised gain on investments.

Other Reserves of £1,758,255 shown in the Statement of Financial Position are identified in note 17 and split into:

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2021

1. The Extraordinary Repair Fund (ERF) which allows for unforeseen expenditure necessary to carry out the Trust's objectives.
2. Programmed Works are based on the five-year budget forecast, the quinquennial surveys and conditions surveys that are carried out for the Trust on a regular basis to ensure that there is a rolling programme of maintenance.
3. The Cyclical Maintenance fund reflects expenditure on work to maintain properties that is undertaken every so often on a regular, but not annual, basis, such as redecorating almshouses when a resident moves out.

The mortgage debt for the 2004 development of thirty-two new almshouses at John Greenway Close remains the single largest financial commitment. The financial statements show the annual interest payment for the year £10,762 and reduction in the value of the outstanding mortgage of from £611,811 (2020) to £579,566 in 2021.

The mortgage is held in two separate accounts, one fixed until 2022 and one variable allowing just over half of the sum owing to be paid off at any time should directors deem prudent to do so.

4. PLANS FOR THE FUTURE

A five-year plan (2017-2022) has been in place, the objectives were to:

- i. Improve/adapt housing to enable residents to stay as almshouse residents for as long as possible.
- ii. Improve warden services to enable residents to stay in their homes as long as possible.
- iii. Work with third parties to assist in providing the next step for residents requiring greater care.
- iv. To improve public awareness of the Trust, including awareness within local organisations.
- v. To investigate the provision of new almshouses where the opportunity arises.
- vi. To ensure all commercial properties are fully let and updated where necessary for new tenants.

The objectives have been achieved, with plans to convert the one vacant commercial property in 2022/23 into retail and new almshouses.

A new three-year strategic plan is now in place for 2022-2025 with the following objectives:

- Maintain – to ensure residents are provided with good quality homes
- Develop & collaborate – to develop more quality homes in Tiverton for older people in need, independently as a Trust or with potential partners
- Profile – to raise the Trust's profile, ensuring there is an awareness of what we offer to benefit older people locally
- Investment – to invest in the Trust's properties, staff, and technology to ensure the Trust is as efficient and sustainable as possible to secure its future.

5. CHARITY STRUCTURE, GOVERNANCE AND MANAGEMENT

Tiverton Almshouse Trust is regulated by The Charity Commission and the Regulator of Social Housing (formerly the HCA). Under the latter, it is classed as a Registered Provider of social housing. In 2014 a new Charity Commission Scheme changed the way the Trust was governed. Tiverton Almshouse Trust is a registered charity with the objects outlined above (see section 1). The 2014 Scheme gave permission for the charity to have one corporate trustee rather than twelve individual trustees and, as a result, a new company limited by guarantee known as Tiverton Almshouse Trustee Ltd was established to be that sole trustee.

Within the company (the corporate trustee) are the twelve voluntary directors (previously called trustees). The Tiverton Almshouse Trust Scheme provides the corporate trustee with the same powers as before and the Articles of Association provide further provisions. The incorporated structure is more recognisable to banking and commercial sectors and provides directors with increased indemnity protection.

The directors have a term of appointment of five years. directors can be re-appointed and there is no maximum number of terms for re-appointment. Instead, directors due for retirement on the rotation basis are interviewed by the Recruitment Sub-committee under an agreed procedure which remains the same for all directors.

A set series of seven questions probing the interviewee's commitment to the charity and its purpose, the time available for the necessary workload, the skills that can be brought to the board and the individual's hopes and aspirations for the charity for the next five years are all discussed in depth and reported back to the board at the AGM when re-appointments are decided. In this way the board can retain committed and energetic directors regardless of their length of term.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2021

Prior to appointment and re-appointment directors must sign the Charity Commission's Declaration of Eligibility to serve. At each meeting of the board and the sub-committees, all potential, real and perceived conflicts of interest, loyalty and perception are declared, recorded and discussed. In the event of a conflict or likelihood of a conflict the director in question is asked to leave the room at the appropriate time or refrains from voting on the matter in question.

There are currently the eleven of the full twelve permitted directors under the Articles of Association. The board considers that it has the necessary skills and attributes without actively seeking an additional director. The internal audit of the board takes place at the AGM in May.

Directors

Name	Position	Date appointed/resigned	Skills and experience
John A Pulford	Chairman	Reappointed 14 May 2019	Retired Local Government Officer
Brenda Stanley	Director	Reappointed 12 May 2020	Retired Businesswoman
Michael H C Biggin	Director	Reappointed 12 May 2020	Retired Finance Manager
Janice A Hutchinson	Director	Reappointed 9 May 2017	Retired Teaching Assistant
John N Rendle	Director	Reappointed 8 May 2018	Businessman
David H Hamer	Director	Reappointed 14 May 2019	Retired Chaplain
Diana R Hewitt	Director	Appointed 21 May 2021	Retired Director of Corporate Services
Roger M Stickland	Director	Appointed 6 July 2021	Retired Head of IT Services
Brian C Berry	Director	Appointed 26 July 2021	CEO Federation of Master Builders
Robert J Cumes	Director	Resigned 12 May 2021	Retired Operations Manager
Victoria Burston	Director	Resigned 16 June 2021	Business Owner
Alison W Maunder	Director	Resigned 20 December 2021	Retired volunteer and Nurse

Nominated directors appointed by Tiverton Town Council:

Wallace Burke	Director	Re-nominated 14 May 2019	Town Councillor
Claudette Harrower	Director	Re-nominated 14 May 2019	Town Councillor

Office of the Trust

The office of the Tiverton Almshouse Trust is: The Market House, 18 Bampton Street, Tiverton, Devon EX16 6AA.

Trust Staff

D Woodward	Chief Executive
N Anderson	Finance Administrator
L Brooks	Housing Manager
H Evans	Secretary/Receptionist
G Strong	Handyman/Gardener
M Pike	Cleaner

Resident Wardens

L Pearce	Resident Warden, John Greenway Close
E. Kerrigan	Resident Warden, Greenway Gardens (Appointed 26 th October 2020)

Advisors to the Trust

Auditors:	PKF Francis Clark, Centenary House, Exeter, Devon
Accountants:	William Withers & Co., Quayside House, Tiverton, Devon
Bankers:	Unity Trust Bank, 9 Brindley Place, Birmingham
Solicitors:	Ashfords, Gotham House, Tiverton, Devon
Investment advisors:	Investec Wealth & Investment, Keble House, Southernhay Gardens Stafford House Investments, Aintree House, Taunton
Exeter Commercial surveyors:	Stratton Creber, 20 Southernhay West, Exeter Avison Young, One Kingsway, Cardiff
Property Surveyors:	Assinder Turnham, 6/7 Southernhay West, Exeter

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2021

Structure of the Trustee's Board of Directors

The board of directors comprises of an elected chairman who are voted a year of office at the AGM held every May. The board of directors meets quarterly each year at the Trust's offices where possible or by video call.

In addition, there are four sub-committees:

1. Property & Finance which meets every two months
2. Pastoral (an executive committee) which meets every two months
3. Policy which meets as necessary and not less than twice per year (in practice every two months)
4. Recruitment which meets between November and May each year prior to the retirement by rotation at the AGM and as necessary when a director vacancy arises.

Board meetings are held four times each year with an AGM in May. No business may be transacted at a board meeting unless four directors are present as a quorum.

Following the incorporation, directors approved a governance policy covering the way business is transacted within the sub-committees and within the main board in line with the Articles of Association. The governance policy was reviewed in April 2021.

Director Vacancies

Vacancies for nominated directors are filled by Tiverton Town Council held in accordance with the ordinary practice of the Town Council. They elect two councillors as their representatives on the Trust's board and the term is for four years.

The Articles allow for retirement by rotation meaning that at each AGM one-fifth of the elected directors retire from office. Retiring directors can re-apply for another term and will be asked to meet with the Recruitment Sub-Committee prior to the AGM to discuss their application (see above and below).

The approved policy for recruiting new directors is to advertise following a skills audit of the board and includes provisions for appointment, declarations and managing conflicts of interest/loyalty.

Once appointed, the new director is encouraged to visit all the almshouse sites (if they have not already done so) accompanied by the CEO or Housing Manager. In addition, the new director is invited to sit as an observer on all sub-committee meetings for a period of at least six months to enable them to become familiar with workings of the Trust and the day-to-day issues. After the six-month induction, the new director is encouraged to participate within one or more sub-committees when appointments are made at the AGM.

Appointment and Training of staff

Members of staff are appointed in accordance with the approved policy. Remuneration of all staff is reviewed on an annual basis in April and increases are based upon a comparison with public sector and private sector pay settlements. When available more specific comparisons are made with other almshouse or housing charities of the same size and operation. A rolling programme of training is operated including fire procedures, health and safety risk assessments, food hygiene, first-aid, working at height, safeguarding, lone-working, mental health awareness and data protection.

The Almshouse Association provides the most relevant and practical forum for directors and staff training.

Applying the Charities Code of Governance 2020

The corporate trustee has considered, in detail, the best practice guidelines within the Code. There is an obligation upon charities to apply the Code or explain why they have not.

Some guidelines are not applied for good reason. Contracts with local sub-contractors undertaking small-scale routine maintenance work are kept as verbal contracts in the interest of speed, efficiency, and experience of comparative costs.

Regarding director appointments, the corporate trustee considers that a restriction on length of term would not be in the best interest of the organisation for the following reasons:

- i. There is a robust written procedure on trustee appointments that takes a pragmatic view of the size of Tiverton and the availability of volunteer directors.
- ii. Each director has a peer review at the end of their term with set questions relating to the skills, time and level of commitment they can give to the Trust. Responses are considered by the Recruitment Sub-Committee (which consists of different members each year) and a recommendation is made to

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2021

- the Board at the AGM.
- iii. Past experience has shown that professionals appointed as directors can lead to conflicts of interest and loyalty given the size of the town.
 - iv. Consistency and local knowledge are highly valued by directors.
 - v. Directors consider that it is not the length of term but the added value and input a director can give to the Trust that is important.
 - vi. In the event of a vacancy, directors would be willing to be flexible and adapt current meeting arrangements in order to ensure a diverse board.

Applying the Value for Money Standard 2018

Tiverton Almshouse Trust is a registered social provider and, as such, published annual evidence within these statutory accounts to enable stakeholders to understand our performance as compared with the metrics set out by the regulator, compare those to our peer group and address any areas of underperformance.

Tiverton Almshouse Trust has recently joined the Acuity Benchmarking Group for small social housing providers and our second annual benchmarking report has recently been submitted. Improvements we have made in collecting and collating our data this year has increased the accuracy of the submitted figures.

The Trust scored very highly in terms of resident satisfaction and repairs performance. Our management of voids, regarding costs and the time to turn these around, were at the lower end of the median but it was clear that there were some differences in how organisations accounted for this element of the process.

Our WMC collection and arrears were below the average and our sickness absence figures were the lowest within the group. Our weekly spend per property is in line with similar costs across comparable organisations.

The Trust's repairs and maintenance costs are above the average in some cases as are our overheads but when considered as a proportion of our turnover, it returns the Trust to the median line.

Our Major and Cyclical works are high compared to other organisations in part due to which type of services are considered Cyclical by different organisations; the Trust has recorded the Tunstall emergency call system as cyclical for example.

The standard refers to activities across the board and includes activities relating to the Trust's investment properties where relevant.

There are seven metrics within the standard:

1. **Reinvestment** (the scale of investment into existing housing, acquisition or development of new housing in relation to the size of the asset base). This metric looks at the investment in properties as a percentage of the value of total properties held. The Trust did not acquire or develop any new housing in 2021 and currently operates 83 social housing units. The measure for The Trust in 2021 is 3.53% (2020: 5.67%). In both years the expenditure on existing properties has been a combination of programmed refurbishments of bathrooms to shower rooms and a rolling programme of repairs. The section on Maintenance of Almshouses contains further detail.
2. **New supply delivered** (units acquired or developed in the year as a proportion of existing housing stock). Given there were no additional units acquired the measure is zero (2020: zero).
3. **Gearing** (Proportion of borrowing in relation to the size of the asset base). The Trust's borrowing relates to a mortgage taken out when the 2004 new development of 32 houses was built. The loan is valued at £579,566 at 31 December 2021 representing a gearing of 14.35% (2020: 15.14%). The board is considering taking on a further loan in 2022 to fund a development and continues to review annually the financial benefits of paying off part of the mortgage that is unfixed versus the interest and return on investments.
4. **Earnings before interest, tax, depreciation and amortisation major repairs included** (Indicates liquidity and investment capacity). The EBITDA MRI interest cover seeks to measure the level of surplus that is generated compared to interest payable. The Trust's measure for 2021 is 220.52% (or 2.205 times). 2020: 113.62% (or 1.136 times).
5. **Social housing cost per unit** The Trust's social housing cost per unit for 2021 was £1,914, (2020: £2,937) the applicable costs related to management, repairs and maintenance and service costs which was higher in 2020 due to works to replacing boilers, kitchens, bathrooms and upgrading works.

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2021**

6. A Operating Margin % (Social Housing Lettings Only) demonstrates the profitability of operating assets before exceptional expenses are taken into account. In calculating this only operating costs directly attributable to social housing costs have been included, the margin for the Trust for 2021 was 36.84% (2020: 17.21%).

B Operating Margin % (Overall) as above however including all operating costs against social housing income and rents receivable from investment properties the margin for the Trust for 2021 was 1.89% (2020: -2.32%). The Trust's total expenditure (note 4) has decreased compared to 2020. 2020 also saw an increase in some specific costs areas, partly because of COVID, as well as changes in staffing, resulting in a higher margin this year.

7. Return on capital employed % (ROCE) the metric compares the operating surplus to total assets less current liabilities, the Trust's ROCE for 2021 was 0.69% (2020: 0.13%).

Managing Risk

The Corporate Trustee regularly reviews the potential risks to the Association and aims to take a balanced and proportionate view. Professional advice is taken where necessary and regularly.

Where decisions are taken to commit significant financial resources, the financial return is considered along with the social investment return and the furtherance of the charitable objectives.

Nevertheless, the corporate trustee is acutely aware of the potential risks facing the Trust and a rigorous system of checks and balances is in place and reviewed regularly. A detailed risk register serves to prioritise governance, operational, compliance and external factors that pose the greatest concern and a management plan is enforced to reduce exposure. Greatest risks can be grouped according to residual risk priority and summarised as follows in order of concern:

- i. Regulatory and Statutory
 - a. Changes in government policy leading to reduced income, increased regulation and therefore increased expense and staff time.
 - b. Maximising the positive impact upon beneficiaries but ensuring this is within the parameters of the Charity's objects.
 - c. Governance matters that arise from a small staff team (such as dependence on key staff).
 - d. Recognising the potential for conflicting interests and loyalties given the directors within the corporate trustee are local lay people with numerous local connections and local businesses.
 - e. Reducing the possibility of unknown changes in legislation and regulation (sometimes originating in indirect departments).
- ii. Specific risk mitigation measures relevant to the Financial Statement:
 - a. Fraud: Day-to-day administration procedures are undertaken to reduce the risk of fraud and certain functions (such as payroll) are outsourced. An external financial review was undertaken in 2019 and internal reviews are undertaken as good practice, also a new Fraud Policy and Fraud Response Plan was implemented to the robust list of policies and procedures already in place.
 - b. Loss of Income (Property): Measures are taken to minimise almshouse voids (see report above) by advertising and maintaining close working relationships with local organisations and the local authority. Commercial rent levels have dropped in recent years due to the uncertain economic climate preceded by a recession, but staff strive to ensure good working relationships with commercial tenants, keep the properties in good working order and keep close monitoring of rental payments to minimise the risk of arrears and to maintain continuity of tenants.
 - c. Loss of Income (other assets): An annual investment review is held every November and monitored every two months by the Property & Finance Sub-Committee. An approved Investment Policy is reviewed every year. Discretionary power has been given to the Trust's brokers who manage the largest portfolio, other investment providers are managed funds or deposit accounts. The corporate trustee aims for a wide variety of deposit accounts balancing long term and short-term investments and, as far as reasonably possible, invests no more than the maximum cover provided by the Financial Services Compensation Scheme.
 - d. Unforeseen Property Repair Costs: Quinquennial surveys are commissioned, and the results incorporated into a rolling programme of maintenance within the budget forecast. Unforeseen works are therefore restricted to extraordinary events (such as flooding because of a leak) and usually covered by insurance. Routine maintenance is seen as a core activity.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2021

The chief executive is responsible for the day-to-day management of health and safety matters and directors are also aware of their statutory duties under legislation through regular sub-committees. Risk assessments are carried out annually by the property manager/chief executive and regularly updated throughout the year in a working file. Fire risk assessments are carried out annually by the property manager/chief executive and every three years professionally.

A comprehensive list of policies and procedures is reviewed on a one - three-year rolling programme or because of changing legislation or best practice guideline, whichever is the soonest. Regular staff meetings ensure that new procedures are implemented.

Meetings with residents are held annually where matters of health and safety are discussed and reinforced, including the procedure in the event of a fire. A fire drill is held annually.

Residents are encouraged to ask questions and provide feedback verbally, or in writing or through our suggestion boxes on site. The chief executive sends an annual report to all residents with the results from the residents' satisfaction survey. The Chief Executive and Housing Manager hold a residents' forum each month for residents to individually ask questions and give their feedback. Staff meetings for office employees, including line managers happen as frequently as possible.

Directors and staff remain vigilant on matters of risk and continue to seek advice and updates from legal bodies, the Charity Commission, the Social Housing Regulator, and the Almshouse Association.

Impacts of COVID

2021 saw us continue to adapt to new ways of working to ensure residents, staff and visitors were kept as safe as possible during the pandemic. Operationally we had already implemented several significant changes, which included some staff working remotely from home, residents being contacted by their wardens by phone more and staff and director meetings being conducted by video calls. The Trust risk register was updated to consider all areas of potential risk from the pandemic, both operationally and strategically.

The Trust continued to respond proactively to the COVID pandemic, with our robust risk assessments already embedded in the Trust and put in place all additional measures on top of what we normally provide to keep residents and staff safe and well. Staff were supported with additional computer equipment to work remotely and appropriate PPE. All safety checks continued in relation to fire and legionella. Urgent repairs continued with strict safety measures during any government restricted lockdown periods. The staff team at the Trust worked tirelessly to adapt to the changing landscape and to ensuring residents safety and well-being remained, as always, our priority and focus.

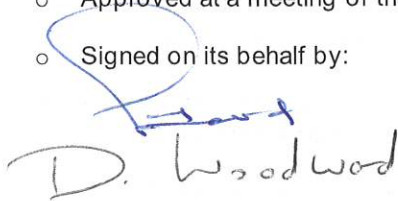
Commercial tenants were supported with flexible payment plans to help them when their retail businesses had to close for periods of time and these payments have now been brought up to date. Our investment portfolios saw some volatility but also some positive bounce back of the investment values.

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2021**

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

- The corporate trustee of the charity which held office at the date of approval of these Financial Statements as set out above, confirms, so far as it is aware, that:
 - there is no relevant audit information of which the charity's auditors are unaware; and
 - it has taken all the steps that it ought to have taken as corporate trustee in order to make itself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

- Approved at a meeting of the corporate trustee held on.....17/5/2022
- Signed on its behalf by:

 ▪ Mr J Pulford – Director (Chairman)
▪ Mrs D Woodward (Chief Executive)

**TIVERTON ALMSHOUSE TRUST
STATEMENT ON INTERNAL CONTROL SYSTEMS
YEAR ENDED 31 DECEMBER 2021**

The corporate trustee is responsible for maintaining a sound system of internal control which:

- focuses on the significant risks that threaten the organisation's ability to meet its objectives; and
- provides reasonable assurance of the safeguarding of assets.

The corporate trustee is also responsible for reviewing the effectiveness of the system of internal control.

The internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the charity is ongoing. This process has been in place for the year ended 31 December 2021 and up to the date of approval of the corporate trustee's report and financial statements and is regularly reviewed by the corporate trustee.

Experienced and suitably qualified management staff take responsibility for important business functions. Appraisal procedures have been established to maintain the standards of performance.

All significant new initiatives, major investments and investment projects are subject to formal authorisation procedures, through the Property and Finance Sub Committee and/or the board.

The Property and Finance Sub Committee reviews reports from senior staff on behalf of the Board and from the external Accountants and separate Auditors to provide assurance that control procedures are in place and are being followed. The Property and Finance Sub Committee informs the Board in this regard on a regular basis.

Procedures have been established for instituting appropriate action to correct weaknesses identified from the above report.

**TIVERTON ALMSHOUSE TRUST CORPORATE TRUSTEES'
RESPONSIBILITIES STATEMENT
YEAR ENDED 31 DECEMBER 2021**

The Charities Act 2011 and registered social housing legislation require the corporate trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its income and expenditure for that period.

In preparing these financial statements, the corporate trustee is required to:

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

The corporate trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. The corporate trustee has general responsibility for taking reasonable steps to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT
TO THE CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST**

Opinion

We have audited the financial statements of Tiverton Almshouse Trust for the year ended 31 December 2021 which comprise the Statement of comprehensive income (including income and expenditure account), Statement of financial position, Statement of changes in equity and reserves, Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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, including its income and expenditure, for the year then ended;
- and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

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 director'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 year of at least twelve months from when the original financial statements were authorised for issue.

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

Other information

The corporate trustee is responsible for the other information. The other information comprises the information included in the report of the corporate trustee, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST (CONTINUED)**

Opinion on other matter prescribed by the Charities Act 2011

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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 requires us to report to you if, in our opinion:

- the information given in the corporate trustee's report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of corporate trustee

As explained more fully in the Corporate Trustee's Responsibilities Statement (set out on page 16), the corporate trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporate trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the corporate 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 corporate trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Based on our understanding of the Trust and nature of the business, we identified the principal risks of non-compliance with laws and regulations as being those which have a direct impact on the preparation of the financial statements, such as The Charities Act 2006, and relevant tax legislation (VAT etc.), as well as legislation governing responsibilities as a social housing landlord. We considered the extent to which non-compliance with these laws and regulations may have a material effect on the financial statements.

**INDEPENDENT AUDITOR'S REPORT
TO THE CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST (CONTINUED)**

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Based on this understanding we designed our audit procedures to identify irregularities. Our procedures involved the following:

- Enquiries of those charged with governance, regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements;
- Review of minutes of meetings of those charged with governance;
- Evaluation of the effectiveness of management's controls designed to prevent and detect irregularities including those applicable to social housing landlords;
- Challenging assumptions and judgements made by management in its significant accounting estimates;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Charity's corporate trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Charity's corporate trustee those matters we are required to state to the corporate trustee 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's corporate trustee as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Francis Clark

PKF Francis Clark, Statutory Auditor

Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

Date: 17/5/22

PKF Francis Clark is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

TIVERTON ALMSHOUSE TRUST
STATEMENT OF COMPREHENSIVE INCOME (INCLUDING
INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED
31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover	2	759,795	769,178
Less: Operating costs	4	765,498	786,986
Operating deficit	5	(5,703)	(17,808)
Income from fixed asset investments		29,334	30,491
Interest receivable and similar income	9	71,171	14,263
Interest payable and similar charges	10	(10,762)	(12,396)
Unrealised/realised gains and losses on investments	12	453,485	102,087
Revaluation of investment properties		(10,000)	80,000
Surplus on ordinary activities for the year before tax		527,525	196,637
Tax on surplus on ordinary activities		-	-
Surplus / (deficit) for the year after tax		527,525	196,637
Total comprehensive income for the year		527,525	196,637

Signed on behalf of the corporate trustee on 17-5-22.

Mr J Pulford – Director (Chairman)



The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF FINANCIAL POSITION YEAR ENDED
31 DECEMBER 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible fixed assets	11	4,040,000	4,040,000
Investment properties	11	2,856,676	2,863,414
Other fixed assets	11	428,163	427,240
Investments	12	3,797,008	3,359,604
		<u>11,121,847</u>	<u>10,690,258</u>
Current assets			
Debtors	13	51,375	49,234
Cash at bank and in hand		1,023,993	969,601
		<u>1,075,368</u>	<u>1,018,835</u>
Creditors: amounts falling due within one year	14	104,630	110,195
		<u></u>	<u></u>
Net current assets		970,738	908,640
Total assets less current liabilities		12,092,585	11,598,898
Creditors: amounts falling due after more than one year	15	546,171	580,009
		<u>11,546,414</u>	<u>11,018,889</u>
Capital and reserves			
Permanent endowment	18	8,794,548	8,610,142
Expendable endowment	18	993,611	903,138
Income and Expenditure reserves	17	1,758,255	1,505,609
		<u>11,546,414</u>	<u>11,018,889</u>

These financial statements were approved and authorised for issue by the corporate trustee on

 17-5-22

and signed on its behalf by:

Mr J Pulford - Director

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF CHANGES IN EQUITY AND RESERVES
YEAR ENDED 31 DECEMBER 2021

	Permanent Endowment £	Expendable Endowment £	Other Reserves £	Total £	2020 £
At 31 December 2020	8,610,142	903,138	1,505,609	11,018,889	10,822,253
Surplus for year before gains and losses from investments	-	-	84,040	84,040	14,550
Unrealised/realised gains and losses on investments	194,406	90,473	168,606	453,485	102,086
Revaluation of tangible fixed assets	(10,000)	-	-	(10,000)	80,000
Total comprehensive income	184,406	90,473	252,646	527,525	196,636
Transfers	-	-	-	-	-
At 31 December 2021	8,794,548	993,611	1,758,255	11,546,414	11,018,889

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF CASHFLOWS
YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Note	£	£
Net cash flow from operating activities	23	52,102	(295,841)
Cash flow from investing activities			
Rents received from investment properties		-	257,271
Payments to acquire tangible fixed assets		(6,289)	(259,258)
Proceeds from sale of investments		26,464	8,517
Purchase of investments		-	(278,748)
Interest received		6,171	11,573
Dividends received		29,334	30,491
Net cash flow from investing activities		55,680	(230,154)
Cash flow from financing activities			
Repayment of long-term loans		(43,007)	(43,620)
Net cash flow from financing activities		(43,007)	(43,620)
Net increase / (decrease) in cash and cash equivalents		64,775	(569,615)
Cash and cash equivalents as at 1 January 2021		991,497	1,561,112
Cash and cash equivalents as at 31 December 2021		<u>1,056,272</u>	<u>991,497</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		1,023,993	969,601
Cash held as part of investment portfolio		32,279	21,896
		<u>1,056,272</u>	<u>991,497</u>

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General information and basis of preparation

Tiverton Almshouse Trust is incorporated under the Charities Act 2011 and is a Registered Provider of Social Housing in the United Kingdom.

Tiverton Almshouse Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2019, and the Charities Act 2011.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements are prepared in sterling, which is the functional currency of Tiverton Almshouse Trust and rounded to the nearest £.

The registered office is disclosed in the Report of the Corporate Trustee.

Housing properties

Housing properties are principally properties available to beneficiaries of the trust in return for weekly maintenance contributions.

Housing properties are included at deemed cost and are reviewed for impairment at the end of each reporting period.

Investment Properties

Investment properties are principally properties available to tenants of the trust in return for a commercial rent.

Investment properties are included at valuation, representing fair value and at each reporting date any changes in fair value are recognised in the statement of comprehensive income. Professional valuations are undertaken on a 5-year rolling cycle.

Investment properties are reviewed for impairment at the end of each reporting period.

Fixed assets and Depreciation

Other fixed assets are stated at cost, less accumulated depreciation. Depreciation is charged on a straight-line basis at rates anticipated to write off the cost of the asset, at the following annual rates:

Housing properties	Nil
Freehold property	Nil
Computer equipment	33.33%

There is no depreciation charged this year against housing properties or freehold property as the corporate trustee believes the residual values are not lower than the current carrying value in the balance sheet. This opinion is based on the valuation of The Market House offices in 2018 and the valuation work done on the housing properties in 2019. It is the corporate trustee's opinion that the local housing market remained static over the 2021 year, and they will be reviewing this throughout the 2022 financial year.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently they are measured at fair value through the statement of comprehensive income.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2021

Debtors and creditors receivable/payable within one year

Debtors and creditors payable within one year are recorded at transaction price.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs and then subsequently adjusted for principal repayments and interest charged.

Revaluation surpluses and deficits

Where market value is not readily available, the Corporate trustee estimates market value. Revaluations of investments are reported in the Statement of Comprehensive Income.

Leased Assets

Rentals payable under operating leases are charged to the income and expenditure account on a straight-line basis over the period of the lease.

Government grants

A social housing grant was received back in 2004 as a contribution towards the capital cost. The grant was previously deducted from the cost of the housing properties. However, as the housing properties are accounted for using the valuation model, grants should now be accounted for using the performance model which means that grants are recognised as income once the performance conditions have been met. This change has not altered the overall value of reserves.

Current Taxation

No taxation is payable by the charity, since it has charitable status and its activities are exempt from tax.

Value Added Tax

Irrecoverable VAT which can be attributed to capital items or revenue expenditure is added to the cost of the capital item or expenses where practicable and material.

Pension Costs

The charity operates a defined contribution scheme for the benefit of its employees. The costs of contributions are written off through the income and expenditure account in the year they are payable.

Dilapidations

Monies receivable in respect of dilapidations are generally not accounted for until they can be determined with reasonable accuracy.

Turnover

Turnover is measured at the fair value of the consideration received or receivable.

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from almshouse voids.

Interest and dividends receivable

Interest and dividend income is recognised as Tiverton Almshouse Trust's right to receive payment is established.

Key judgements and estimates

The following judgements and estimates have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

The corporate trustee has established a five-year cycle for investment properties to be valued by an external RICS qualified surveyor. In the intervening years the remaining properties are valued by the corporate trustee having regard to all risks, the yield, the strength of the market and comparison with similar properties.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2021

2. TURNOVER

	2021	2020
	£	£
Rents receivable excluding service charges	427,262	420,589
Service charges receivable	99,507	99,632
Rent and service charge losses from voids	(3,789)	(8,554)
Guest room income	-	240
Social Housing Turnover	522,980	511,907
Investment property income	236,815	257,271
	<u>759,795</u>	<u>769,178</u>

3. UNITS IN MANAGEMENT

	2021	2020
Social housing for older people	83	83
Warden accommodation	3	3
	<u>86</u>	<u>86</u>

4. OPERATING COSTS

	Support Costs £	Social Housing £	Investment Properties £	Total 2021 £	Total 2020 £
Estate management costs:					
Wages and salaries	-	50,580	50,580	101,160	99,705
Estate costs					
Repairs and maintenance	-	142,781	91,862	234,643	259,843
Professional fees	-	26,942	27,741	54,683	56,382
Utilities	-	77,452	29,419	106,871	113,424
Insurance	-	16,528	8,622	25,150	25,172
Sundry expenses	-	5,327	3,831	9,158	5,877
Waste	41	6,721	-	6,762	7,187
Cleaning	928	3,999	1,996	6,923	7,914
Administrative costs					
Wages and salaries	163,583	-	-	163,583	154,879
Staff recruitment costs	90	-	-	90	-
Office running costs	25,512	-	-	25,512	23,030
Audit services	3,780	-	-	3,780	3,570
Accountancy services	8,324	-	-	8,324	13,971
COVID19 expenses	2,078	-	-	2,078	-
PI insurance	578	-	-	578	578
Subscriptions	3,042	-	-	3,042	2,295
Bank charges	908	-	-	908	1,060
Depreciation	2,104	-	-	2,104	2,607
Investment mgm't fees	10,149	-	-	10,149	9,492
	<u>221,117</u>	<u>330,330</u>	<u>214,051</u>	<u>765,498</u>	<u>786,986</u>
Apportionment	<u>(221,117)</u>	<u>120,339</u>	<u>100,778</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>450,669</u>	<u>314,829</u>	<u>765,498</u>	<u>786,986</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2021

5. OPERATING DEFICIT

	2021	2020
	£	£
Operating deficit is stated after charging:		
Operating leases - other assets	<u>1,524</u>	<u>1,524</u>

6. AUDITORS' REMUNERATION

	2021	2020
	£	£
Audit services	3,780	3,570
	<u>3,780</u>	<u>3,570</u>

7. BOARD OF DIRECTORS OF THE CORPORATE TRUSTEE AND KEY MANAGEMENT PERSONNEL REMUNERATION

	2021	2020
	£	£
The aggregate emoluments payable to key management personnel excluding employer pension contributions	70,540	70,590

The chief executive is not a member of the charity's defined contribution pension scheme. However, the charity makes contributions to their personal pension plan. During the period the total amount contributed to the personal pension was £5,032 (2020: £4,873).

The Board of Directors of the corporate trustee received no expenses or remuneration in the year.

8. EMPLOYEE INFORMATION

	2021	2020
The average number of persons employed during the year expressed in full time equivalents (16 hours or more per week) was:		
Office staff	5	5
Wardens, cleaners and handyman	<u>4</u>	<u>4</u>
	<u>9</u>	<u>9</u>
	£	£
Staff costs (for the above persons)		
Wages and salaries	233,130	219,068
Employer's National Insurance Contributions	17,800	20,256
Other pension costs	<u>13,813</u>	<u>15,259</u>
	<u>264,743</u>	<u>254,583</u>

During the year one employee earned more than £60,000 (2020: one employee).

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2021

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £	2020 £
Interest received	6,171	11,573
Miscellaneous income	65,000	2,690
	<u>71,171</u>	<u>14,263</u>

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £	2020 £
Mortgage interest	10,762	12,396
	<u>10,762</u>	<u>12,396</u>

11. TANGIBLE FIXED ASSETS

	Housing Properties £	Investment Properties £	Freehold Property £	Computer Equipment £	Total £
COST OR VALUATION					
At 1 January 2021	4,040,000	2,863,414	425,000	12,237	7,340,651
Additions	-	3,262	-	3,027	6,289
Revaluation	-	(10,000)	-	-	(10,000)
At 31 December 2021	<u>4,040,000</u>	<u>2,856,676</u>	<u>425,000</u>	<u>15,264</u>	<u>7,336,940</u>
DEPRECIATION					
At 1 January 2021	-	-	-	9,997	9,997
Charge for year	-	-	-	2,104	2,104
At 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,101</u>	<u>12,101</u>
NET BOOK VALUE					
At 31 December 2021	<u>4,040,000</u>	<u>2,856,676</u>	<u>425,000</u>	<u>3,163</u>	<u>7,324,839</u>
At 31 December 2020	<u>4,040,000</u>	<u>2,863,414</u>	<u>425,000</u>	<u>2,240</u>	<u>7,330,654</u>

HOUSING PROPERTIES

Housing properties comprise freehold land and buildings and are included at deemed cost of £4,040,000 (historic cost: £4,288,895).

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2021

INVESTMENT PROPERTIES

The corporate trustee has established a five-year cycle for investment properties to be valued by an external RICS qualified surveyor.

For the 2021 year, all investment properties held were valued by the corporate trustee on the basis of fair value as at 31 December 2021.

Valuation is represented by:	2021	2020
	£	£
Historical cost	296,927	296,927
Revaluation	2,559,749	2,566,487
	<u>2,856,676</u>	<u>2,863,414</u>
Revaluation:	2021	2020
	£	£
Balance as at 31 December 2020	2,566,487	2,580,573
Net of additions and transfers	3,262	(94,086)
Revaluation	(10,000)	80,000
Balance as at 31 December 2021	<u>2,559,749</u>	<u>2,566,487</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2021

12. INVESTMENTS HELD AS FIXED ASSETS

(Financial assets measured at fair value through the surplus/ (deficit))

	2021 £	2020 £
MARKET VALUE OF LISTED INVESTMENTS		
At 31 December 2020	3,359,604	3,250,522
Additions	-	262,261
Income reinvested	-	16,487
Disposal proceeds	(26,464)	(8,517)
Realised gains/(losses)	9,332	(4,327)
Unrealised gains/(losses)	444,153	106,414
At 31 December 2021	<u>3,786,625</u>	<u>3,622,840</u>
Cash held as part of investment portfolio (movement)	10,383	(263,236)
	<u>3,797,008</u>	<u>3,359,604</u>
Historical cost	<u>2,592,324</u>	<u>2,593,996</u>

13. DEBTORS – ALL RECEIVABLE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors		
Social housing rent arrears	1,655	4,346
Social housing utility arrears	-	114
Other	1,824	8,123
	<u>3,479</u>	<u>12,583</u>
Prepayments and accrued income	41,985	32,482
Other debtors	5,911	4,169
	<u>51,375</u>	<u>49,234</u>

14. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Mortgages	33,395	31,802
Trade creditors and rents paid in advance	20,531	43,437
Other creditors and accruals	50,704	34,956
	<u>104,630</u>	<u>110,195</u>

15. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Mortgages	<u>546,171</u>	<u>580,009</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2021

16. MORTGAGES

(Financial liabilities measured at fair value through the surplus/ (deficit)).

	2021 £	2020 £
Analysis of maturity of debt:		
Less than one year or on demand	33,395	31,802
Between one and two years	33,948	32,394
Between two and five years	105,297	100,871
After five years	406,926	446,744
	<u>579,566</u>	<u>611,811</u>

The mortgages mature in July 2037.

Capital is repayable in monthly instalments, which commenced in August 2004. Interest is charged at 2.95% and LIBOR +0.65%.

The mortgages are secured on certain freehold housing and investment properties.

17. INCOME AND EXPENDITURE RESERVES

	2020 £	Surplus for year £	Revaluation £	Transferred £	Utilised £	2021 £
Programme of works fund	20,814	-	-	65,155	(65,155)	20,814
Extraordinary repair fund	41,112	-	-	1,721	-	42,833
Cyclical maintenance fund	60,110	-	-	36,921	(33,631)	63,400
Routine works	45,436	-	-	45,992	(43,995)	47,433
Other	1,338,137	84,040	168,606	(149,789)	142,781	1,583,775
	<u>1,505,609</u>	<u>103,717</u>	<u>169,439</u>	<u>-</u>	<u>-</u>	<u>1,758,255</u>

Tiverton Almshouse Trust has established a regular programme of works.

Part of other reserves has been earmarked by the corporate trustee for a particular purpose. Such designations may be reversed by future Trustee decisions.

Expenditure is taken through the income and expenditure account. A transfer is then made as appropriate.

18. CAPITAL AND RESERVES

Permanent Endowment

These reserves represent the current value of the Housing and Investment Properties together with the current value of any other investments that were held at the date of the merger and cash deposited with Standard Life on behalf of Alexandra Lodge Trust as at the date of the merger.

Expendable Endowment

These reserves represent the current value of any investments purchased since the merger.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2021

19. LEASING COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Not later than one year	1,524	1,417
Later than five years	<u>1,524</u>	<u>1,417</u>

20. PENSION COSTS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £8,781 (2020: £10,386).

21. RELATED PARTY TRANSACTIONS

As at the 31 December 2021 two directors of Tiverton Almshouse Trustee Limited were councillors / employees of related Local Authorities.

Any transactions with the Local Authorities were at arms-length on normal commercial terms and these individuals were not able to use their position to their commercial advantage.

22. CONTROL

The ultimate controlling party is the board of directors of Tiverton Almshouse Trustee Limited

23. RECONCILIATION OF OPERATING SURPLUS / (DEFICIT) TO CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Surplus / (deficit) for the year	527,525	196,637
Rents received from investment properties	-	(257,271)
Mortgage interest paid	10,762	12,396
Interest received	(6,171)	(11,573)
Dividends received	(29,334)	(30,491)
Depreciation and impairment of tangible fixed assets	2,104	2,607
Realised (gain) / loss on disposal of investments	(9,332)	4,327
Unrealised (gains) / loss on investments	(444,153)	(106,414)
Revaluation on tangible fixed assets	10,000	(80,000)
(Increase) / decrease in trade and other debtors	(2,141)	(18,211)
Increase / (decrease) in trade and other creditors	(7,158)	(7,848)
Net cash flow from operating activities	<u>52,102</u>	<u>(295,841)</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2021

25 ANALYSIS OF CHANGES IN NET DEBT

	2020	Cashflows	Non-cash changes	2021
	£	£	£	£
Long-term borrowings	580,009	-	(33,838)	546,171
Short-term borrowings	31,802	(32,245)	33,838	33,395
Total liabilities	611,811	(32,245)	-	579,566
Cash and cash equivalents	(991,497)	(64,775)	-	(1,056,272)
Total	(379,686)	(97,020)	-	(476,706)

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Our Ref: **10103EX/NXH/NXH**

6 April 2022

Dear Sirs/Madams

In accordance with our normal practice we are writing to draw your attention to various matters which arose during the course of our audit of the charity's accounts for the year ended 31 December 2021.

1. Expected Modifications to the Auditors' Report

There are no expected modifications to the auditors' report.

2. Identified Misstatements

All identified misstatements, except those we consider to be clearly trivial, were discussed with Doreen Woodward. All adjustments have been made to the accounts so there are no remaining unadjusted audit differences.

A summary of adjustments posted to the draft financial statements during the course of the audit (which reduce the surplus by £31,351 in total) is shown in the attached appendix.

3. Significant Deficiencies in the Accounting and Internal Control Systems

As you are aware from our letter of engagement, our audit procedures were directed towards testing the accounting systems in operation upon which we have based our assessment of the accounts. In assessing whether a deficiency is significant we consider the likelihood of an error arising in the accounting system and its potential magnitude. Whilst we did not identify control issues that we would consider to be significant deficiencies, we have the following observations.

The accounting software used has a bank feed that imports transactions directly from the bank. Two transactions in the year had been duplicated causing the bank code to become out of sync with the amounts held in the bank account. Whilst this is a very unusual error, we would recommend reconciling the balance in the software with the actual balance in the account.

4. Qualitative Aspects of the Entity's Accounting Practices and Financial Reporting

The following qualitative aspects of the entity's accounting practices and financial reporting were discussed and agreed at our closing meeting on 5 April 2022:

BRISTOL | EXETER | PLYMOUTH | POOLE | SALISBURY | TAUNTON | TORQUAY | TRURO

Fixed Assets – Significant Components

Historically major components of social housing properties have not been separately identified and depreciated over their individual useful lives. This was discussed with the Trustees last year, and it was agreed that it would not be practicable to perform a retrospective review for significant components but that future fixed asset additions would be reviewed to ensure significant components are separately identified. This will need to be considered for capital works in 2022.

Depreciation of Freehold Property and Housing Property held at cost

Freehold property and social housing property is not depreciated on the basis that the residual value is not materially different from the carrying value (and therefore depreciation would be immaterial). The Trustees agreed to review this annually to ensure that residual values are not significantly different to the carrying value which might give rise to the need to apply a depreciation charge. Paragraph 10 of the Letter of Representation confirms the fact that the trustees have considered this and are happy that any depreciation charge would be immaterial to the financial statements.

5. Other Matters Required by Auditing Standards to be Communicated

There are no other matters that we are required by Auditing Standards to communicate to you.

6. Audit Independence

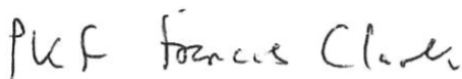
No non-audit services have been offered to the charity during the past year.

The contents of this report are subject to the terms and conditions of our appointment as set out in our engagement letter of 1 March 2021.

This report is made solely to the Directors of the corporate trustee of Tiverton Almshouse Trust as a board in accordance with our engagement letter. Our work has been undertaken so that we might state to the Directors of Tiverton Almshouse Trust those matters we are required to state to them in accordance with International Standards on Auditing (UK and Ireland) in this 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 Board of Tiverton Almshouse Trust for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.

If we can be of any further assistance, please contact Neil Hitchings.

Yours faithfully



FRANCIS CLARK LLP

E-mail: mail@pkf-francisclark.co.uk

Appendix - adjustments posted to draft financial statements	Profit impact £ +/(+)
Adjustment for credit notes raised post year end on 2021rent/maintenance contributions	(4,693)
Correct Xero bank accounts duplicates	1,445
Mid v Bid price on COIF investments	(1,673)
Adjustment to valuation on John Greenway Building	(10,000)
Accrual for December 21 flat refurbishment	(16,430)

TIVERTON ALMSHOUSE TRUST

England & Wales - Charity number 206984

Accounts

**Report of the Trustees and Audited Financial Statements
For the Year Ended 31 December 2020
For
TIVERTON ALMSHOUSE TRUST**

TIVERTON ALMSHOUSE TRUST
Contents of the Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2020

	Page
Report of the Corporate Trustee	1-14
Statement on internal control systems	15
Corporate Trustees' responsibilities statement	16
Independent Auditor's report	17-19
Statement of comprehensive income (including income and expenditure account)	20
Statement of financial position	21
Statement of changes in equity and reserves	22
Statement of cash flows	23
Notes to the financial statements	24-34

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2020

The Corporate Trustee presents this report with the financial statements of the charity for the year ended 31 December 2020.

INTRODUCTION

The Corporate Trustee is pleased to report that the agreed objectives central to the work of the Tiverton Almshouse Trust of maintaining and improving core charitable activities, planning for the future and delivering a healthy financial position have been satisfied.

Tiverton Almshouse Trust is regulated by the Charity Commission and the Regulator of Social Housing (formerly the Homes & Communities Agency).

This report includes references to the Financial Statements attached and aims to address the regulatory requirements of the Regulator of Social Housing three economic standards: Value for Money, Governance & Financial Viability and the Rent Standard, throughout, as part of the reporting structure.

The total income this year in 2020 from charitable activities and other income was £813,932 (2019: £969,196). The total expenditure was £799,382 (2019: £816,395). The gain on investments was £102,087, which includes an unrealised gain of £106,414 and a realised loss of £4,327. During the year a gain on revaluation of investment properties of £80,000 was recognised. The surplus for the year is £196,637.

CODE OF GOVERNANCE

The Charities Code of Governance 2017 has been adopted by the Board in line with Charity Commission guidance. The corporate trustee has also reviewed the changes made to the code in December 2020 and they will continue to apply this code going forward. Tiverton Almshouse Trust falls between the Code for smaller and larger charities (defined as turnover below and above £1m respectively). The Board aspires to meet the recommendations set out for larger charities whilst maintaining a level of proportionality. The Code is produced by the NCVO, ICSA, ACEVO, Association of Chairs and the Small Charities Coalition with the oversight of The Charity Commission

1. OBJECTIVES AND ACTIVITIES

The objects of the Tiverton Almshouse Trust in the Scheme made by the Charity Commission dated 10 September 2009 (as amended by the Scheme dated 28 July 2014) are:

- a. the provision of housing accommodation for poor persons not less than 60 years old who have lived in the area of benefit for not less than 2 years prior to the appointment.
- b. such charitable purposes for the benefit of the residents as the Corporate Trustee decides
- c. the relief of persons resident in the area of benefit who are in financial hardship by:
 - i. making grants of money to them; or
 - ii. providing or paying for goods, services or facilities for them; or
 - iii. making grants to other organisations or institutions which provide goods, services or facilities for those in financial hardship.

The use of income and capital must firstly be applied to meet the proper costs of administering the charity and managing its assets (including repair and insurance of its buildings) and to make annual payments into the reserve funds considered necessary in the annual budget.

The remaining income to further the objects of the charity are made in the following order of priority:

- a. the benefit of the residents
- b. the relief of financial hardship of persons living in the area of benefit (which is Tiverton and environs).

The greatest activity within the Trust is the maintenance of its properties. In addition to almshouse accommodation, the Trust also owns investment property in Tiverton.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2020

The board considers that the objects are still relevant to the work of the charity. The popularity of the almshouse accommodation, the low level of voids and the financial security of the organisation means that it achieves, and can sustain, its objectives. Plans for the future address how those objectives can be taken forward to enable beneficiaries to continue to benefit from the Trust's charitable activities as the government and society shifts to take care of a higher proportion of an ageing and frail older population.

Public Benefit

In carrying out the Trust's aims and objectives and in measuring achievements and performance, the Corporate Trustee has had regard to the Charity Commission's guidance dated February 2014 entitled "Public Benefit: rules for charities". Given that the Trust's objective is the relief of poverty (see objects above) only the benefit aspect of "public benefit" requires satisfying. The Commission specifies that the purpose of the charity must be beneficial in a way that is identifiable and capable of being proved by evidence where necessary and not based on personal views. Perhaps the most quantifiable measure to identify whether the charity has a benefit to the local population eligible for accommodation is the low level of voids within the almshouses. COVID-19 restrictions and lockdowns were the cause of a small number of voids in 2020 as work could not be completed during these periods to empty almshouses to get them ready for new residents. In effect, the Trust had no voids that were not directly attributable to the pandemic.

In line with the Trust's governing scheme 2009, the charity provides housing for local people over 60 years old and in financial need. Through regular advertising, open days, contact with Mid Devon District Council, and local voluntary agencies such as Age UK and local charities such as the Churches Housing Action Trust (CHAT) the Trust reaches a wide audience. Eligible applicants waiting for accommodation are numerous and from a wide variety of backgrounds indicating that the Trust is reaching its beneficiary group. Nevertheless, The Corporate Trustee strives to raise the profile of the Trust within the town still further and the Annual Plan has specific targets for ensuring wider awareness which were met during the year. The rigorous application of a points system ensures each applicant meets the required criteria, enables each applicant to be prioritised primarily based on financial need. The applicant in greatest need at the time a vacancy arises is offered the accommodation regardless of how long they have been known on the list.

Tiverton Almshouse Trust almshouse properties are usually fully occupied with no voids (a void is defined as an empty flat awaiting allocation with no further redecorating or refurbishment required before it is occupied). The National Almshouse Association considers a 5% minimum void rate is acceptable and a void allowance of up to 12.5% may be suitable for small groups of almshouses, given the specific beneficiary group they serve. That would indicate that 4 to 9 of the Trust's properties could be void at any one time.

During 2020 eleven vacancies arose (nine in 2019). Three properties were void for on average 2 months as a direct impact of the COVID-19 pandemic and the UK Government restrictions placed upon us all. This led to the Trust not being able to secure contractors to undertake these works during the initial lockdown period from March to June 2020. Once there was a gradual easing of lockdown restrictions, contractors were in high demand, yet we were able to carry out significant refurbishment, including replacing kitchens and bathrooms with these larger projects taking on average four-five weeks to complete. Despite the impact of the pandemic, the Trust was able to secure new residents immediately as it maintains a detailed application list of eligible local people in need who had been previously interviewed so that they could be offered vacant almshouses. In some cases, in flats where minimal work was needed, the turnaround in the flat getting it ready for the new resident was just one week.

Properties

In total there are 83 almshouses, and three units are occupied by two Resident Wardens and the House Manager. One almshouse for a resident warden was extended in 2019 to accommodate her young family leaving the Trust with 82 almshouse. However, as the post holder has now changed this extra space was no longer needed and has been converted back to the original almshouse. They are provided on three geographically separate sites within Tiverton, namely:

- (i) Greenway Gardens, King Street
- (ii) Sles, Angel Terrace
- (iii) John Greenway Close, Gold Street

The accommodation is designed for independent living, as residents get older, the Trust continues to support them for as long as possible and some residents receive third party care packages, social/community services assistance and support from the mental health team as required.

Tiverton Almshouse Trust owns the freehold of a number of commercial properties in the centre of Tiverton comprising retail and residential flats as well as two office buildings known as Raymond Penny House and John Greenway Building in the centre of town. The Trust also owns two terraced houses in Westexe, Tiverton.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2020

Going Concern

After a detailed review and examining major areas which could give rise to significant financial risk, the directors are satisfied that no material exposures exist other than as reflected in these Financial Statements and the Trust has adequate resources to continue its operations for the foreseeable future. The directors and management team review quarterly budgets with our external accountant, which include a minimum forecast 12-month period as well as a programme of works for 5 years. Cash liquidity is monitored through our updated summaries of cash and investments which the board review in detail at Property & Finance meetings 5 times a year and at the board meeting 4 times a year. We have also engaged an independent financial advisor from Stafford House Investments, Andrew Mayne, to produce an annual report to review all our investments in terms of risk. Tiverton Almshouse Trust is not dependent on investment income and market performance. We receive a steady income from commercial rents and weekly maintenance contributions from our almshouse residents, which meets our annual running costs. Large one-off projects regarding property development and/or significant repairs are reviewed against cash liquidity and available funds, which do not form part of the trusts permanent endowed fund. Five-year quinquennial inspections are carried out by Assinder Turnham on all our properties on a rolling programme, so we can plan for large expenditure required over coming years and factor into our budget.

The World Health Organisation (WHO) classed COVID-19 as a pandemic on 11 March 2020. Following that announcement, the Government in the UK introduced various measures to address the impact in the UK resulting in lockdown from 23 March 2020. Our sympathies continue to be with all those affected in any way by the virus. The UK continues to evolve in response to the challenges of COVID-19 and we continue to take proactive steps to ensure that we are well-positioned to respond.

The Trust took proactive measures as soon as the pandemic was announced. We introduced a new cloud-based IT system, that enabled all files to be accessed remotely by staff and directors through a secure portal. In order to ensure robust governance and to ensure board meetings could go ahead, staff and directors were supported to use remote video calling for meetings as social distancing prevented face to face meetings. The Trust reviewed its risk register regularly and introduced a new crisis policy was put in place so that all staff and directors were aware of the steps we were taking to respond to the pandemic and to keep the Trust running effectively, efficiently and safely. We also reviewed our budgets to assess our assumptions, look at any loss of income and to look at any potential risks or impact if for example, commercial units undergoing refurbishment were delayed in being leased.

Our office was closed to visitors and staff were supported with new computer equipment to be able to work remotely where necessary. We risk assessed our offices and housing sites, increased cleaning regimes, bought additional PPE for staff, sanitisers units for across the sites, closed our guest rooms and ceased our social events for residents.

Some works to residential flats and retail units being refurbished were delayed due to contractors having to stop work due to the lockdown and also delays in securing materials, this delayed us being able to move new tenants in by several months and therefore there was a loss of income that could have been achieved.

We contacted all our commercial tenants to find out the financial impact on their businesses throughout the lockdown, particularly those forced to close temporarily. We agreed flexible payment plans for those who were in immediate financial hardship and signposted all to government schemes for financial help which some were able to access throughout 2020. We reviewed our investments with our fund manager and took advice about the volatility of the investment market as there were some losses at the start of the pandemic which have been improving throughout the year for some of our investments.

Covid has impacted the year by some increased costs for staffing where staff were asked to work some additional hours to ensure the Trust was able to run smoothly, additional costs for equipment, cleaning and PPE resources, delays due to lockdown leading to a loss of some income for some vacant almshouses, residential and retail units that were in the middle of refurbishment work. The Trust has calculated additional costs for cleaning, equipment, PPE to be £6,780. At the end of the year all almshouses and retail units were full and all commercial tenants had paid their rents up to date.

2. ACHIEVEMENTS AND PERFORMANCE

Maintaining Properties

The Charity Commission Scheme clearly states that the main object of the charity is to provide almshouses for a specified group of local people. Income and capital must first be used to meet the proper costs of administering the charity and repairing, maintaining and insuring the buildings.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2020

Total expenditure (operating costs) decreased by £17,013 to 799,382 in 2020. 2019 included essential upgrade works to the residents' Tunstall Emergency Call System primarily, which formed part of the utilities cost. Note 4 to the Financial Statements provides a comparison and more detail is provided below. In 2020, and in line with the quinquennial surveys, the Trust undertook a budgeted programme of works and cyclical maintenance.

All significant contracts for programmed works and significant repair works are put out to tender. The specification and contract administration (including tender administration and reporting) has been undertaken this year by Assinder Turnham, Chartered Surveyors. Minor routine maintenance is undertaken either by the Trust's handyman or by one of an approved number of sub-contractors. Quotes are not required for work anticipated to be less than £3,000 to avoid inefficiency and wasted staff time and sub-contractor time. Sub-contractors are required to breakdown labour and parts entries on invoices and, where possible, discounts for regular work are requested and often granted. All invoices are reviewed three times – by the Finance Administrator, Property Manager, and finally the Chief Executive before being approved by directors. At the end of the year all almshouse properties were occupied and all residential and commercial properties were occupied, apart from one retail unit, which was then leased in January 2021.

Maintenance of Almshouse Properties

Of the £799,382 total operating costs and interest payable in 2020 for all properties (investment properties and almshouses combined) £228,879 was spent on almshouse maintenance by way of programmed works, general redecoration and, where necessary redecoration and refurbishment of the eleven flats that became vacant. Within the programmed works are two rolling programmes, namely: boiler replacement and kitchen upgrades/bath replacement with showers at John Greenway Close and Greenway Gardens. Boiler replacement costs this year were £75,141 (2019: 25,130), bathroom and kitchen replacements were £80,853 (2019: £69,439).

Increased regulation means increased routine checks, which continue to present additional financial cost and staff time. The two most costly regulatory functions relate to legionella prevention and fire safety. The monthly, six-monthly and annual checks for monitoring water hygiene systems to reduce the risk of legionella cost the Trust £5,949 in 2020 (2019: £8,912). This reduction is a result of undertaking less remedial work than in the previous year.

To check fire detection systems the cost in 2020 was £5,498 (2019 £5,513) Where possible staff carry out routine checks but specialist services are more frequently required to fulfil legal obligations. The requirement to meet more robust guidance and regulations in buildings of differing ages and styles means the Trust is reliant on specialist contractors to carry out some of the works. Quotes are invited for this work and annual contracts awarded.

Residents' Satisfaction

The Trust is committed to improving services and to understand what are the most important issues and priorities for our residents by gathering their valuable feedback. We carry out an annual residents' satisfaction survey, results for 2020 are below compared to 2019 results.

Residents Satisfaction Survey	2020	2019
Satisfaction with overall service	95%	98%
Satisfaction with the overall quality of your home	93%	99%
Satisfaction of feeling safe living in your almshouse	100%	98%
Satisfaction that your weekly maintenance contribution provides value for money	94%	99%
Satisfaction that your utility contribution charge provides value for money	95%	99%
Satisfaction with repairs and maintenance	95%	96%
Satisfaction that Tiverton Almshouse Trust listen to your views and acts upon them	95%	84%

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2020

The Trust joined a benchmarking group called Acuity 2018 to compare the annual costs of running the almshouse properties with similar almshouse charities and small housing associations across the country. Our level of residents' satisfaction scores very favourably with other organisations. We sit just below the median for spend on reactive repairs and just above for cyclical and major repairs. We have invested in a bespoke property management system for the Trust and introduced cloud-based IT systems, which will help going forward in recording more detailed data for benchmarking.

Investment Property Maintenance

Expenditure on day-to-day maintenance on the Trust's investment properties was significantly less than on almshouse properties, which is to be expected given the tenancy agreements on the former which oblige commercial tenants to keep properties in good and tenable repair. In 2020 the routine and cyclical maintenance expenditure for the Trust on these properties was £60,173 (2019: £22,248), primarily consisting of servicing and general repairs and including the planned works.

Provision of Almshouse Accommodation

Tiverton Almshouse Trust is a social housing provider registered with, and regulated by, the Regulator of Social Housing (formerly the HCA). The Trust is also a registered charity and therefore regulated by the Charity Commission. The main purpose of the organisation is to provide housing to local people over 60 years of age and in financial need. Applications are encouraged from anyone who believes they fulfil the basic three criteria and are scrutinised in line with an internally approved policy which is regularly reviewed (at least every three years) to ensure consistency and relevance (see below).

Two out of our three sites have a Resident Warden. The third site, known as Sles, is a historic building in the town centre comprising three flats. Residents at Sles are not visited regularly by a Resident Warden but the House Manager will visit as necessary. This is because, in general, residents at Sles need to be mobile due to the restrictive historical layout.

The Resident Warden's remit is to ensure the daily well-being of all residents and although they are not medically trained and do not provide personal care, they assist residents in day-to-day living. Their role can be described as "being a good neighbour". There is a 24-hour emergency call system within Greenway Gardens and John Greenway Close enabling residents to access emergency help at all times of the day and night. The Resident Wardens maintain regular contact with family members when necessary and, in particular, when a resident is unwell. Resident Wardens also provide a variety of social activities where residents are invited, but are not obliged, to attend. These are held within the Community Room on the two main sites. With COVID restrictions in 2020, for residents and safety, group events have not been able to be held for the majority of the year.

Every six weeks there is a meeting on each of the main sites attended by appointed Directors of the Pastoral Sub-Committee, the Chief Executive, the House Manager and the Resident Warden to discuss management and resident issues. Directors on this committee are also responsible for interviewing new applicants and allocating vacant almshouses.

Residents pay a Weekly Maintenance Contribution for their accommodation and a contribution to water supply and gas (Utility Contribution). Weekly Maintenance Contributions (WMC) vary from £89 per week to £117 per week depending on the accommodation that is provided. In addition, all residents pay a £23.50 Utility Contribution based on single occupancy and £29.50 per week based on double occupancy. The Corporate Trustee aims to keep resident contributions as low as possible taking into account formulas provided by the Regulator of Social Housing (RSH) and equivalent fair rent assessments from the Valuation Office Agency (VOA). The latest VOA assessment was undertaken in November 2019. WMC was kept to £2 per week increase and there was no increase to the Utility Contributions. In addition, the Chief Executive consults with Mid Devon District Council on any WMC increase to ensure that those residents who require assistance can access 100% of the rent payment through housing benefit if eligible.

The Corporate Trustee strives to ensure a fair, consistent and transparent process when allocating almshouse accommodation. There is an approved policy within the Trust to advertise in the local newspaper, website if necessary, maintain regular contact with local organisations such as Age UK and the Churches Housing Action Trust (CHAT) as well as Devon Home Choice (the bidding portal for local authority housing and housing associations). Adverts are also placed in Mid Devon District Council's reception. All applicants must complete a comprehensive application form including a financial information section and be interviewed by the appointed Directors and CEO. A points system is in used to ensure consistency. Those applicants placed on the list awaiting allocation are regularly reviewed and applicants are encouraged to keep in touch with the House Manager.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2020

A good working relationship with Mid Devon District Council and local housing charities ensures a wide- ranging local awareness of the almshouses as well as staff presentations by Zoom to local groups and articles in local papers. Innovative ways to widen the search for applicants are put in place and once an applicant is accepted in principle a priority weighting system ensures the applicant in greatest need is offered any vacancy first, in accordance with the Scheme.

The continuing lack of care homes within the town and surrounding means that residents are staying in their homes longer than in previous times. Social care support is now provided at home and hospital admissions generally reserved for emergencies, which means that care agencies and health professionals are frequently on site.

Alexandra Lodge

Planning permission was granted in 2015 to The Abbeyfield Society for the redevelopment of Alexandra Lodge, an empty listed house in gardens within the town, for a 45-bed extra-care unit. The freehold of the property is owned by Tiverton Almshouse Trust and, following planning permission, a 250-year lease was signed to The Abbeyfield Society. Since then, progress has been slow and due to financial issues Abbeyfield may not be able to continue with their plans for this site. Tiverton Almshouse Trust are in communications with Abbeyfield to see the options that they are pursuing to ensure the site is able at some point in the future to be developed by another organisation to ultimately benefit the people of Tiverton.

Relief of Financial Hardship

The additional objectives of the charity allow for the relief of poverty for local people who are in financial hardship by making grants of money to them or making grants to other organisations or institutions with similar aims. The amount of money donated to achieve this objective is considered by the Corporate Trustee at the AGM each year and the donation may be approved to a local organisation with similar aims. No donations were made in 2020.

3. **FINANCIAL REVIEW**

The Corporate Trustee reviews its reserves and, in particular the non-designated funds and expendable endowment to be used for “the proper costs of administering the charity and of managing its assets” (Charity Commission Scheme September 2009). A Reserves Policy addresses the Expendable Endowment and designates funds to the actions approved in the Five Year Strategy. There are regular reviews of operational risks and requirements, sufficient reserves are maintained in order to address these requirements.

Specifically, funds were set aside to refurbish existing residential and retail investment property in September 2019 and work was undertaken to produce a specification and complete a tender process for a refurbishment of this commercial and residential investment property. This work started in January 2020.

As stated in the Investment Policy, the objective of the Corporate Trustee in holding investments within a share portfolio is to produce the best financial return and capital growth within an acceptable risk and to balance the income and capital return.

The four risks identified in the report last year still stand, namely:

- i. Capital growth not keeping up with inflation thereby leading to a decline in the real value of the investment
- ii. Fluctuating income from share portfolios and deposit accounts due to COVID-19 pandemic
- iii. Bank default.
- iv. More topically, the unknown effect of the current Brexit negotiations is noted.

To limit the above risks the board has delegated certain decisions to the Property & Finance Sub-committee (which consists of over half of the board's number) including allowing those members to re-invest maturing funds subject to the current Financial Services Compensation Scheme Limit. This allows decisions to take advantage of available investment offers (especially fixed rate bonds open for a short time) by acting in a timely manner. All investments, apart from those held within share portfolios, are monitored at every sub- committee meeting.

Shareholding portfolios are managed by professional brokers and/or fund managers and an annual review is undertaken at the November board meeting of the Corporate Trustee. An external investment review takes place annually.

The Corporate Trustee has considered ethical investments in line with ensuring that investments are not made into companies with opposite values from that of the Trust and has therefore put restrictions on investing in any

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2020**

fund that is linked to the production or sale of Tobacco.

It also considered companies who seek to make people homeless, however, this would be difficult to monitor and enforce. It was decided not to impose this ethical restriction. The Corporate Trustee accepts that the ethical values of individual directors must not compromise policy decisions.

The Statement of Comprehensive Income shows that income received from almshouse residents' weekly contributions (including service charges) has increased by £10,022, primarily as a result of the annual review of charges in April. The Corporate Trustee is mindful of maximising income (for the charity's future sustainability) commensurate with fulfilling the Charity Scheme objective to ensure no resident suffers financial hardship.

Operating costs (note 4) show some changes from the previous year. 2019 was the first time the Trust analysed costs related to social housing and investment properties and apportioned costs across the two areas. There has been an increase in the contracted management hours, but administrative wages and salary costs decreased in 2020 by £9,150, compared with 2019. Overall wage costs are up by £34,522 compared to 2019.

The income from fixed asset investments (shareholdings and deposits) decreased by £37,748 over the year mainly due to the volatile market caused by the COVID-19 pandemic. The managed portfolio is valued at £1,368,407 (2019: £1,303,606).

The annual total return on the managed portfolio is reflected in Note 12, with unrealised gains of £102,087 (2019: £316,219).

Last year directors decided not to reinvest the income from the managed portfolio but to receive it as dividends and interest. The impact of this decision can be seen in Note 12 where income reinvested has decreased from £63,739 in 2019 to £16,487 in 2020.

Rents receivable from investment properties have increased to £257,271, compared to the 2019 year (£254,903). At the year-end there was just one commercial void. A significant investment was made by the Trust to develop a large commercial property and 4 residential flats situated above, that had been leased by a larger retailer for the last 50 years. We submitted a dilapidation claim to this retailer at the end of their lease for £89,687, however the retailer has now gone into a Company Voluntary Arrangement, so unfortunately the external administrators have deemed that only £2,690 is eligible to be paid to us from this debt within the next 19 months, despite the significant investment the Trust had to make to bring the building and flats back into an acceptable standard for future tenants. £2,690 is included in current assets to reflect the money owed to the Trust.

Professional valuations are undertaken on a five-year rolling programme and this year took place on 2 – 16 Bampton Street, which increased in value by £80,000, from £1,420,000 to £1,500,000.

Informal valuations were undertaken by the corporate trustee in 2020 on the remaining almshouse and investment properties and kept at 2019 levels.

Permanent endowment (identified as investment properties, housing properties and other investments agreed as such by the Charity Commission as part of their investigations prior to the merger in 2009) has increased from £8.52m to £8.53m, reflecting, the unrealised gain on investments.

Other Reserves of £1,505,609 shown in the Statement of Financial Position are identified in note 17 and split into:

1. The Extraordinary Repair Fund (ERF) which allows for unforeseen expenditure necessary to carry out the Trust's objectives.
2. Programmed Works are based on the five-year budget forecast, the quinquennial surveys and conditions surveys that are carried out for the Trust on a regular basis to ensure that there is a rolling programme of maintenance.
3. The Cyclical Maintenance fund reflects expenditure on work to maintain properties that is undertaken every so often on a regular, but not annual, basis, such as redecorating almshouses when a resident moves out.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2020

The mortgage debt for the 2004 development of thirty-two new almshouses at John Greenway Close remains the single largest financial commitment. The financial statements show the annual interest payment for the year £12,396 and reduction in the value of the outstanding mortgage of from £643,035 (2019) to £611,811 in 2020.

The mortgage is held in two separate accounts, one fixed until 2022 and one variable allowing just over half of the sum owing to be paid off at any time should directors deem prudent to do so.

4. PLANS FOR THE FUTURE

A five-year plan (2017-2022) has been approved by Directors. In summary the aim within that plan over the five-year timescale is to:

- i. Improve/adapt housing to enable residents to stay as almshouse residents for as long as possible.
- ii. Improve warden services to enable residents to stay as long as possible.
- iii. Work with third parties to assist in providing the next step for residents requiring greater care.
- iv. To improve public awareness of the Trust, including awareness within local organisations.
- v. To investigate the provision of new almshouses where the opportunity arises.
- vi. To ensure all commercial properties are fully let and updated where necessary for new tenants.

The five-year plan translated into the following annual plan and achievements for 2020:

- i. To refurbish the bathrooms within vacant ground floor flats at John Greenway Close to shower rooms. It was decided to include refurbishment of all vacant units whether ground or first floor.
- ii. To investigate the provision of greater support for residents (through telecare, midday meals). The replacement of the Tunstall emergency call system took place in 2019.
- iii. Tender process was implemented for the refurbishment of one vacant commercial property and 4 residential flats above it. Work was completed in 2020.
- iv. A review of accounting software and IT systems was undertaken, and new more efficient systems introduced.
- v. During the consideration of the Reserves Policy, Directors decided to widen the search for a redevelopment opportunity for additional almshouses and this was a focus for 2020, with options being investigated.
- vi. To undertake talks, advertising, greater social media reach and closer liaison with the local community, local groups and Mid Devon District Council with a view to increasing the awareness of the Trust in providing homes for local older people in need, good progress has been made on this objective.

5. CHARITY STRUCTURE, GOVERNANCE AND MANAGEMENT

Tiverton Almshouse Trust is regulated by The Charity Commission and the Regulator of Social Housing (formerly the HCA). Under the latter, it is classed as a Registered Provider of social housing. In 2014 a new Charity Commission Scheme changed the way the Trust was governed. Tiverton Almshouse Trust is a registered charity with the objects outlined above (see section 1). The 2014 Scheme gave permission for the charity to have one corporate trustee rather than twelve individual trustees and, as a result, a new company limited by guarantee known as Tiverton Almshouse Trustee Ltd was established to be that sole trustee.

Within the company (the corporate trustee) are the twelve voluntary directors (previously called trustees). The Tiverton Almshouse Trust Scheme provides the corporate trustee with the same powers as before and the Articles of Association provide further provisions. The incorporated structure is more recognisable to banking and commercial sectors and provides directors with increased indemnity protection.

The directors have a term of appointment of five years. directors can be re-appointed and there is no maximum number of terms for re-appointment. Instead, directors due for retirement on the rotation basis are interviewed by the Recruitment Sub-committee under an agreed procedure which remains the same for all directors.

A set series of seven questions probing the interviewee's commitment to the charity and its purpose, the time available for the necessary workload, the skills that can be brought to the board and the individual's hopes and aspirations for the charity for the next five years are all discussed in depth and reported back to the board at the AGM when re-appointments are decided. In this way the board can retain committed and energetic directors regardless of their length of term.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2020

Prior to appointment and re-appointment directors must sign the Charity Commission's Declaration of Eligibility to serve. At each meeting of the board and the sub-committees, all potential, real and perceived conflicts of interest, loyalty and perception are declared, recorded and discussed. In the event of a conflict or likelihood of a conflict the director in question is asked to leave the room at the appropriate time or refrains from voting on the matter in question.

There are currently the eleven of the full twelve permitted directors under the Articles of Association. The board considers that it has the necessary skills and attributes without actively seeking an additional director. The internal audit of the board takes place at the AGM in May.

Directors

Name	Position	Date appointed/resigned	Skills and experience
John A Pulford	Chairman	Reappointed 14 May 2019	Retired Local Government Officer
Brenda Stanley	Director	Reappointed 5 May 2019	Retired Businesswoman
Alison W Maunder	Director	Reappointed 8 May 2018	Retired volunteer Age UK, retired Nurse.
Michael H C Biggin	Director	Reappointed 3 May 2019	Retired Finance Manager
John N Rendle	Director	Reappointed 8 May 2018	Businessman
Janice A Hutchinson	Director	Reappointed 9 May 2017	Retired Teaching Assistant
David H Hamer	Director	Reappointed 14 May 2019	Retired Chaplain
Robert J Cumes	Director	Reappointed 3 May 2016	Retired Operations Manager
Victoria Burston	Director	Appointed 14 May 2019	Business Owner
Susan Hollins	Director	Resigned 7 July 2020	Counsellor

Nominated directors appointed by Tiverton Town Council:

Wallace Burke	Director	Re-nominated 14 May 2019	Town Councillor
Claudette Harrower	Director	Re-nominated 14 May 2019	Town Councillor

Office of the Trust

The office of the Tiverton Almshouse Trust is: The Market House, 18 Bampton Street, Tiverton, Devon EX16 6AA.

Trust Staff

D Woodward	Chief Executive
A Parkins	Property Manager
N Anderson	Finance Administrator (Appointed 21 st September 2020)
L Brooks	House Manager
H Evans	Secretary/Receptionist
G Strong	Handyman/Gardener
M Pike	Cleaner

Resident Wardens

L Pearce	Resident Warden, John Greenway Close
E.Kerrigan	Resident Warden, Greenway Gardens (Appointed 26 th October 2020)

Advisors to the Trust

Auditors:	PKF Francis Clark, Centenary House, Exeter, Devon
Accountants:	William Withers & Co., Quayside House, Tiverton, Devon
Bankers:	Unity Trust Bank, 9 Brindley Place, Birmingham
Solicitors:	Ashfords, Gotham House, Tiverton, Devon
Investment advisors:	Investec Wealth & Investment, Keble House, Southernhay Gardens,
Exeter Commercial surveyors:	Mettam Ware, 15A Fore Street, Tiverton and Stratton Creber, 20 Southernhay West, Exeter
Property Surveyors:	Assinder Turnham, 6/7 Southernhay West, Exeter

Structure of the Trustee's Board of Directors

The board of directors comprises an elected chairman and vice-chairman who are voted a year of office at the AGM held every May. The board of directors meets quarterly each year at the Trust's offices.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2020

In addition, there are four sub-committees:

1. Property & Finance which meets every six weeks
2. Pastoral (an executive committee) which meets every six weeks
3. Policy which meets as necessary and not less than twice per year (in practice every two months)
4. Recruitment which meets between November and May each year prior to the retirement by rotation at the AGM and as necessary when a director vacancy arises.

Board meetings are held four times each year with an AGM in May. No business may be transacted at a board meeting unless four directors are present as a quorum.

Following the incorporation, directors approved a governance policy covering the way business is transacted within the sub-committees and within the main board in line with the Articles of Association. The governance policy was revised in 2018.

Director Vacancies

Vacancies for nominated directors are filled by Tiverton Town Council held in accordance with the ordinary practice of the Town Council. They elect two councillors as their representatives on the Trust's board and the term is for four years.

The Articles allow for retirement by rotation meaning that at each AGM one-fifth of the elected directors retire from office. Retiring directors can re-apply for another term and will be asked to meet with the Recruitment Sub-Committee prior to the AGM to discuss their application (see above and below).

The approved policy for recruiting new directors is to advertise following a skills audit of the board and includes provisions for appointment, declarations and managing conflicts of interest/loyalty.

Once appointed, the new director is encouraged to visit all the almshouse sites (if they have not already done so) accompanied by the CEO, house manager or a member of the office staff. In addition, the new director is invited to sit as an observer on all sub-committee meetings for a period of at least six months to enable them to become familiar with workings of the Trust and the day-to-day issues. After the six-month induction, the new director is encouraged to participate within one or more sub-committees when appointments are made at the AGM.

Appointment and Training of staff

Members of staff are appointed in accordance with the approved policy. Remuneration of all staff is reviewed on an annual basis in April and increases are based upon a comparison with public sector and private sector pay settlements. When available more specific comparisons are made with other almshouse or housing charities of the same size and operation.

A rolling programme of training is operated including fire procedures, health and safety risk assessments, food hygiene, first-aid, working at height, safeguarding, lone-working, mental health awareness and data protection. The Almshouse Association provides the most relevant and practical forum for directors and staff training.

Applying the Charities Code of Governance 2017

The corporate trustee has considered, in detail, the best practice guidelines within the Code. There is an obligation upon charities to apply the Code or explain why they have not. Whilst the overwhelming majority of markers have been met there are some which are in the process of being more fully integrated such as (benchmarking). The corporate trustee has also reviewed the changes made to the code in December 2020 and they will continue to apply this code going forward.

Some guidelines are not applied for good reason. Contracts with local sub-contractors undertaking small-scale routine maintenance work are kept as verbal contracts in the interest of speed, efficiency and experience of comparative costs.

Regarding director appointments, the corporate trustee considers that a restriction on length of term would not be in the best interest of the organisation for the following reasons:

- i. There is a robust written procedure on trustee appointments that takes a pragmatic view of the size of Tiverton and the availability of volunteer directors.
- ii. Each director has a peer review at the end of their term with set questions relating to the skills, time and level of commitment they can give to the Trust. Responses are considered by the Recruitment

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2020

Sub-Committee (which consists of different members each year) and a recommendation is made to the Board at the AGM.

- iii. Past experience has shown that professionals appointed as directors can lead to conflicts of interest and loyalty given the size of the town.
- iv. Consistency and local knowledge are highly valued by directors.
- v. Directors consider that it is not the length of term but the added value and input a director can give to the Trust that is important.
- vi. In the event of a vacancy, directors would be willing to be flexible and adapt current meeting arrangements in order to ensure a diverse board.

Applying the Value for Money Standard 2018

Tiverton Almshouse Trust is a registered social provider and, as such, published annual evidence within these statutory accounts to enable stakeholders to understand our performance as compared with the metrics set out by the regulator, compare those to our peer group and address any areas of underperformance.

Tiverton Almshouse Trust has recently joined Acuity Benchmarking Group for small social housing providers and our second annual benchmarking report has recently been submitted. Improvements we have made in collecting and collating our data this year has increased the accuracy of the submitted figures.

The Trust scored very highly in terms of resident satisfaction and repairs performance. Our management of voids, regarding costs and the time to turn these around, were at the lower end of the median but it was clear that there were some differences in how organisations accounted for this element of the process.

Our WMC collection and arrears were below the average and our sickness absence figures were the lowest within the group. Our weekly spend per property is in line with similar costs across comparable organisations.

The Trust's repairs and maintenance costs are above the average in some cases as are our overheads but when considered as a proportion of our turnover, it returns the Trust to the median line. Management costs have increased due to having new staff in a new post and higher qualified staff in another. Further, improved reporting on staff recording work related to Almshouses has also contributed to the increase.

Our Major and Cyclical works are high compared to other organisations in part due to which type of services are considered Cyclical by different organisations; the Trust has recorded the Tunstall emergency call system as cyclical for example.

The standard refers to activities across the board and includes activities relating to the Trust's investment properties where relevant.

There are seven metrics within the standard:

1. **Reinvestment** (the scale of investment into existing housing, acquisition or development of new housing in relation to the size of the asset base). This metric looks at the investment in properties as a percentage of the value of total properties held. The Trust did not acquire or develop any new housing in 2020 and currently operates 83 social housing units. The measure for The Trust in 2020 is 5.67% (2019: 5.91%). In both years the expenditure on existing properties has been a combination of programmed refurbishments of bathrooms to shower rooms and a rolling programme replacing boilers. The section on Maintenance of Almshouses contains further detail.
2. **New supply delivered** (units acquired or developed in the year as a proportion of existing housing stock). Given there were no additional units acquired the measure is zero.
3. **Gearing** (Proportion of borrowing in relation to the size of the asset base). The Trust's borrowing relates to a mortgage taken out when the 2004 new development of 32 houses was built. The loan is valued at £611,811 at 31 December 2020 representing a gearing of 15.14% (2019: 15.92%). The board is not proposing to take on any further loans in 2021 and reviews annually the financial benefits of paying off part of the mortgage that is unfixed versus the interest and return on investments.
4. **Earnings before interest, tax, depreciation and amortisation major repairs included** (Indicates liquidity and investment capacity). The EBITDA MRI interest cover seeks to measure the level of surplus that is generated compared to interest payable. The Trust's measure for 2020 is 113.62% (or 1.136 times).

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2020**

5. **Social housing cost per unit** The Trust's social housing cost per unit for 2020 was £2,937, (2019: £2,690) the applicable costs related to management, repairs and maintenance and service costs which was higher in 2020 due to works to replacing boilers, kitchens, bathrooms and upgrading works.
6. **A Operating Margin % (Social Housing Lettings Only)** demonstrates the profitability of operating assets before exceptional expenses are taken into account. In calculating this only operating costs directly attributable to social housing costs have been included, the margin for the Trust for 2020 was 17.21% (2019: 20%).
- B Operating Margin % (Overall)** as above however including all operating costs against social housing income and rents receivable from investment properties the margin for the Trust for 2020 was -2.32% (2019: 5%). Although the Trust's total expenditure (note 4) has decreased compared to 2019, the 2019 calculation included an adjustment for various exceptional costs (totalling £100,434). 2020 has seen an increase in some specific costs areas, partly as a result of COVID-19, as well as changes in staffing, resulting in a lower margin this year.
7. **Return on capital employed % (ROCE)** the metric compares the operating surplus to total assets less current liabilities, the Trust's ROCE for 2020 was 0.13% (2019: 1.34%).

Managing Risk

The Corporate Trustee regularly reviews the potential risks to the Association and aims to take a balanced and proportionate view. Professional advice is taken where necessary and regularly.

Where decisions are taken to commit significant financial resources, the financial return is considered along with the social investment return and the furtherance of the charitable objectives.

Nevertheless, the corporate trustee is acutely aware of the potential risks facing the Trust and a rigorous system of checks and balances is in place and reviewed regularly. A detailed risk register serves to prioritise governance, operational, compliance and external factors that pose the greatest concern and a management plan is enforced to reduce exposure. Greatest risks can be grouped according to residual risk priority and summarised as follows in order of concern:

- i. Regulatory and Statutory
 - a. Changes in government policy leading to reduced income, increased regulation and therefore increased expense and staff time.
 - b. Maximising the positive impact upon beneficiaries but ensuring this is within the parameters of the Charity's objects.
 - c. Governance matters that arise from a small staff team (such as dependence on key staff).
 - d. Recognising the potential for conflicting interests and loyalties given the directors within the corporate trustee are local lay people with numerous local connections and local businesses.
 - e. Reducing the possibility of unknown changes in legislation and regulation (sometimes originating in indirect departments).
- ii. Specific risk mitigation measures relevant to the Financial Statement:
 - a. Fraud: Day-to-day administration procedures are undertaken to reduce the risk of fraud and certain functions (such as payroll) are outsourced. An external financial review was undertaken in 2019 as good practice and also a new Fraud Policy and Fraud Response Plan was implemented to the robust list of policies and procedures already in place.
 - b. Loss of Income (Property): Measures are taken to minimise almshouse voids (see report above) by advertising and maintaining close working relationships with local organisations and the local authority. Commercial rent levels have dropped considerably in recent years due to the uncertain economic climate preceded by a recession, but staff strive to ensure good working relationships with commercial tenants, keep the properties in good working order and keep close monitoring of rental payments to minimise the risk of arrears and to maintain continuity of tenants.
 - c. Loss of Income (other assets): An annual investment review is held every November and monitored every six weeks by the Property & Finance Sub-Committee.
An approved Investment Policy is reviewed every three years. Discretionary power has been given to the Trust's brokers who manage the largest portfolio, other investment providers are managed funds or deposit accounts. The corporate trustee aims for a wide variety of deposit accounts balancing long term and short-term investments and, as far as reasonably possible, invests no more than the maximum cover provided by the Financial Services Compensation

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2020

Scheme.

- d. Unforeseen Property Repair Costs: Quinquennial surveys are commissioned, and the results incorporated into a rolling programme of maintenance within the budget forecast. Unforeseen works are therefore restricted to extraordinary events (such as flooding as a result of a leak) and usually covered by insurance. Routine maintenance is seen as a core activity.

The chief executive is responsible for the day-to-day management of health and safety matters and directors are also aware of their statutory duties under legislation through regular sub-committees. Risk assessments are carried out annually by the property manager/chief executive and regularly updated throughout the year in a working file. Fire risk assessments are carried out annually by the property manager/chief executive and every three years professionally.

A comprehensive list of policies and procedures is reviewed on a one - three-year rolling programme or as a result of changing legislation or best practice guideline, whichever is the soonest. Regular staff meetings ensure that new procedures are implemented.

Meetings with residents are held annually where matters of health and safety are discussed and reinforced, including the procedure in the event of a fire. A fire drill is held annually.

Residents are encouraged to ask questions and provide feedback verbally, or in writing or through our suggestion boxes on site. Once a year, the chief executive meets with all residents to discuss the next year's draft annual plan, as well as the results from the residents' satisfaction survey. Staff meetings for office employees, including line managers happen as frequently as possible.

Directors and staff remain vigilant on matters of risk and continue to seek advice and updates from legal bodies, the Charity Commission, the Social Housing Regulator and the Almshouse Association.

Impacts of COVID-19

2020 was the year, none of us could have expected with a global pandemic bringing a profound change to how we would all live and work and interact as a community. This resulted in residents not being able to see their families, our resident events and activities put on hold. Many of our residents would be considered to be high risk to COVID-19 because of their age, underlying health conditions and because of the drastic changes to their external support networks in the community that had to close or remain restricted.

Operationally, this meant that it was necessary to implement a number of significant changes which included some staff working remotely from home, residents being contacted by their wardens by phone only and staff and director meetings being by virtual Zoom videos. The Trust risk register was updated to consider all areas of potential risk from the pandemic, both operationally and strategically.

The Trust responded proactively to the COVID-19 pandemic, with our robust risk assessments already embedded in the Trust and put in place all additional measures on top of what we normally provide to keep residents and staff safe and well. Staff were supported with additional computer equipment to work remotely and appropriate PPE. All safety checks continued in relation to fire and legionella. Urgent repairs continued with strict safety measure. The impact for the Trust was loss of some income during lockdown we could not get contractors in to carry out work to flats that became vacant and additional costs for PPE, sanitiser units, equipment. The staff team at the Trust worked tirelessly to adapt to each unprecedented change due to the pandemic and to ensuring residents safety and well-being remained, as always, our priority and focus.

Commercial tenants were supported with flexible payment plans to help them when their retail businesses had to close due to Government restrictions and these payments have now been brought up to date. Our investment portfolio saw some losses due to the volatility of the market due to the pandemic.

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2020**

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

The corporate trustee of the charity which held office at the date of approval of these Financial Statements as set out above, confirms, so far as it is aware, that:

- there is no relevant audit information of which the charity's auditors are unaware; and
- it has taken all the steps that it ought to have taken as corporate trustee in order to make itself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved at a meeting of the corporate trustee held on 11 May 2021

Signed on its behalf by:

Mr J Pulford – Director (Chairman)

Mr R Cumes – Director (Vice-chair)

Mrs D Woodward (Chief Executive)

**TIVERTON ALMSHOUSE TRUST
STATEMENT ON INTERNAL CONTROL SYSTEMS
YEAR ENDED 31 DECEMBER 2020**

The corporate trustee is responsible for maintaining a sound system of internal control which:

- focuses on the significant risks that threaten the organisation's ability to meet its objectives; and
- provides reasonable assurance of the safeguarding of assets.

The corporate trustee is also responsible for reviewing the effectiveness of the system of internal control.

The internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the charity is ongoing. This process has been in place for the year ended 31 December 2020 and up to the date of approval of the corporate trustee's report and financial statements and is regularly reviewed by the corporate trustee.

Experienced and suitably qualified management staff take responsibility for important business functions. Appraisal procedures have been established to maintain the standards of performance.

All significant new initiatives, major investments and investment projects are subject to formal authorisation procedures, through the Property and Finance Sub Committee and/or the board.

The Property and Finance Sub Committee reviews reports from senior staff on behalf of the Board and from the external Accountants and separate Auditors to provide assurance that control procedures are in place and are being followed. The Property and Finance Sub Committee informs the Board in this regard on a regular basis.

Procedures have been established for instituting appropriate action to correct weaknesses identified from the above report.

TIVERTON ALMSHOUSE TRUST CORPORATE TRUSTEES'
RESPONSIBILITIES STATEMENT
YEAR ENDED 31 DECEMBER 2020

The Charities Act 2011 and registered social housing legislation require the corporate trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its income and expenditure for that period.

In preparing these financial statements, the corporate trustee is required to:

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

The corporate trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. The corporate trustee has general responsibility for taking reasonable steps to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST

Opinion

We have audited the financial statements of Tiverton Almshouse Trust for the year ended 31 December 2020 which comprise the Statement of comprehensive income (including income and expenditure account), Statement of financial position, Statement of changes in equity and reserves, Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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, including its income and expenditure, for the year then ended;
- and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

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 director'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 year of at least twelve months from when the original financial statements were authorised for issue.

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

Other information

The corporate trustee is responsible for the other information. The other information comprises the information included in the report of the corporate trustee, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST (CONTINUED)**

Opinion on other matter prescribed by the Charities Act 2011

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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 requires us to report to you if, in our opinion:

- the information given in the corporate trustee's report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of corporate trustee

As explained more fully in the Corporate Trustee's Responsibilities Statement (set out on page 16), the corporate trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporate trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the corporate 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 corporate trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Based on our understanding of the Trust and nature of the business, we identified the principal risks of non-compliance with laws and regulations as being those which have a direct impact on the preparation of the financial statements, such as The Charities Act 2006, and relevant tax legislation (VAT etc.), as well as legislation governing responsibilities as a social housing landlord. We considered the extent to which non-compliance with these laws and regulations may have a material effect on the financial statements.

**INDEPENDENT AUDITOR'S REPORT
TO THE CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST (CONTINUED)**

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Based on this understanding we designed our audit procedures to identify irregularities. Our procedures involved the following:

- Enquiries of those charged with governance, regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements;
- Review of minutes of meetings of those charged with governance;
- Evaluation of the effectiveness of management's controls designed to prevent and detect irregularities including those applicable to social housing landlords;
- Challenging assumptions and judgements made by management in its significant accounting estimates;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Charity's corporate trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Charity's corporate trustee those matters we are required to state to the corporate trustee 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's corporate trustee as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Francis Clark, Statutory Auditor

Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE
Date: 14 May 2021

PKF Francis Clark is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

TIVERTON ALMSHOUSE TRUST
STATEMENT OF COMPREHENSIVE INCOME (INCLUDING
INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED
31 DECEMBER 2020

	Note	2020 £	As restated 2019 £
Turnover	2	769,178	756,788
Less: Operating costs	4	<u>786,986</u>	<u>801,889</u>
Operating deficit	5	(17,808)	(45,101)
Income from fixed asset investments		30,491	68,239
Interest receivable and similar income	9	14,263	144,169
Interest payable and similar charges	10	(12,396)	(14,506)
Unrealised/realised gains and losses on investments	12	102,087	316,219
Revaluation of investment properties		<u>80,000</u>	<u>-</u>
Surplus on ordinary activities for the year before tax		<u>196,637</u>	<u>469,020</u>
Tax on surplus on ordinary activities		<u>-</u>	<u>-</u>
Surplus / (deficit) for the year after tax		196,637	469,020
Revaluation of tangible fixed assets		-	55,000
Total comprehensive income for the year		<u><u>196,637</u></u>	<u><u>524,020</u></u>

Signed on behalf of the corporate trustee on 11 May 2021

Mr J Pulford – Director (Chairman)

Mr R Cumes – Director (Vice-chair)

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF FINANCIAL POSITION YEAR ENDED
31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Tangible fixed assets	11		4,040,000		4,040,000
Investment properties	11		2,863,414		2,877,500
Other fixed assets	11		427,240		76,503
Investments	12		3,359,604		3,250,522
			<u>10,690,258</u>		<u>10,244,525</u>
Current assets					
Debtors	13	49,235		31,024	
Cash at bank and in hand		<u>969,601</u>		<u>1,275,981</u>	
		1,018,836		1,307,005	
Creditors: amounts falling due within one year	14	<u>110,196</u>		<u>116,242</u>	
Net current assets			908,640		1,190,763
Total assets less current liabilities			11,598,898		11,435,288
Creditors: amounts falling due after more than one year	15		580,009		613,035
			<u>11,018,889</u>		<u>10,822,253</u>
Capital and reserves					
Permanent endowment	18		8,610,142		8,529,000
Expendable endowment	18		903,138		865,209
Income and Expenditure reserves	17		1,505,609		1,428,044
			<u>11,018,889</u>		<u>10,822,253</u>

These financial statements were approved and authorised for issue by the corporate trustee on

11 May 2021

and signed on its behalf by:

Mr J Pulford - Director

Mr R Cumes - Director

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF CHANGES IN EQUITY AND RESERVES
YEAR ENDED 31 DECEMBER 2020

	Permanent Endowment £	Expendable Endowment £	Other Reserves £	Total £	2019 £
At 31 December 2019	8,529,000	865,209	1,428,044	10,822,253	10,298,333
Surplus for year before gains and losses from investments	-	-	14,550	14,550	152,801
Unrealised/realised gains and losses on investments	1,142	37,929	63,015	102,086	316,219
Revaluation of tangible fixed assets	80,000	-	-	80,000	55,000
Total comprehensive income	81,142	37,929	63,015	196,636	524,020
Transfers	-	-	-	-	-
At 31 December 2020	8,610,142	903,138	1,505,609	11,018,889	10,822,253

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF CASHFLOWS
YEAR ENDED 31 DECEMBER 2020

	2020	2019
	Note £	£
Net cash flow from operating activities	24 (295,841)	(359,772)
Cash flow from investing activities		
Rents received from investment properties	257,271	254,903
Payments to acquire tangible fixed assets	(259,258)	(2,254)
Receipts from sales of tangible fixed assets	-	-
Payments to acquire investments	-	-
Proceeds from sale of investments	8,517	929,612
Purchase of investments	(278,748)	(665,694)
Interest received	11,573	26,039
Dividends received	30,491	68,239
Net cash flow from investing activities	(230,154)	610,845
Cash flow from financing activities		
Repayment of long term loans	(43,620)	(44,434)
Net cash flow from financing activities	(43,620)	(44,434)
Net increase / (decrease) in cash and cash equivalents	(569,615)	206,639
Cash and cash equivalents as at 1 January 2020	1,561,112	1,354,473
Cash and cash equivalents as at 31 December 2020	<u>991,497</u>	<u>1,561,112</u>
Cash and cash equivalents consist of:		
Cash at bank and in hand	969,601	1,275,981
Cash held as part of investment portfolio	21,896	285,131
	<u>991,497</u>	<u>1,561,112</u>

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General information and basis of preparation

Tiverton Almshouse Trust is incorporated under the Charities Act 2011 and is a Registered Provider of Social Housing in the United Kingdom.

Tiverton Almshouse Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2019, and the Charities Act 2011.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements are prepared in sterling, which is the functional currency of Tiverton Almshouse Trust and rounded to the nearest £.

The registered office is disclosed in the Report of the Corporate Trustee.

Housing properties

Housing properties are principally properties available to beneficiaries of the trust in return for weekly maintenance contributions.

Housing properties are included at deemed cost and are reviewed for impairment at the end of each reporting period.

Investment Properties

Investment properties are principally properties available to tenants of the trust in return for a commercial rent.

Investment properties are included at valuation, representing fair value and at each reporting date any changes in fair value are recognised in the statement of comprehensive income. Professional valuations are undertaken on a 5-year rolling cycle.

Investment properties are reviewed for impairment at the end of each reporting period.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2020

Fixed assets and Depreciation

Other fixed assets are stated at cost, less accumulated depreciation. Depreciation is charged on a straight-line basis at rates anticipated to write off the cost of the asset, at the following annual rates:

Housing properties	Nil
Freehold property	Nil
Computer equipment	33.33%

There is no depreciation charged this year against housing properties or freehold property as the corporate trustee believes the residual values are not lower than the current carrying value in the balance sheet. This opinion is based on the valuation of The Market House offices in 2018 and the valuation work down on the housing properties in 2019. It is the corporate trustee's opinion that the local housing market remained static over the 2020 year, and they will be reviewing this throughout the 2021 financial year.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently they are measured at fair value through the statement of comprehensive income.

Debtors and creditors receivable/payable within one year

Debtors and creditors payable within one year are recorded at transaction price.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs and then subsequently adjusted for principal repayments and interest charged.

Revaluation surpluses and deficits

Where market value is not readily available, the Corporate trustee estimates market value. Revaluations of investments are reported in the Statement of Comprehensive Income.

Leased Assets

Rentals payable under operating leases are charged to the income and expenditure account on a straight-line basis over the period of the lease.

Government grants

A social housing grant was received back in 2004 as a contribution towards the capital cost. The grant was previously deducted from the cost of the housing properties. However, as the housing properties are accounted for using the valuation model, grants should now be accounted for using the performance model which means that grants are recognised as income once the performance conditions have been met. This change has not altered the overall value of reserves.

Current Taxation

No taxation is payable by the charity, since it has charitable status and its activities are exempt from tax.

Value Added Tax

Irrecoverable VAT which can be attributed to capital items or revenue expenditure is added to the cost of the capital item or expenses where practicable and material.

Pension Costs

The charity operates a defined contribution scheme for the benefit of its employees. The costs of contributions are written off through the income and expenditure account in the year they are payable.

Dilapidations

Monies receivable in respect of dilapidations are generally not accounted for until they can be determined with reasonable accuracy.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2020

Turnover

Turnover is measured at the fair value of the consideration received or receivable.

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from almshouse voids.

Interest and dividends receivable

Interest and dividend income is recognised as Tiverton Almshouse Trust's right to receive payment is established.

Key judgements and estimates

The following judgements and estimates have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

The corporate trustee has established a five-year cycle for investment properties to be valued by an external RICS qualified surveyor. In the intervening years the remaining properties are valued by the corporate trustee having regard to all risks, the yield, the strength of the market and comparison with similar properties.

Reclassification of comparative Statement of Comprehensive Income

Comparatives in respect of investment property income and expenditure, as well as gains on investments have been restated to ensure they are correctly disclosed in the financial statements in line with FRS 102.

2 TURNOVER

	2020	2019
	£	£
Rents receivable excluding service charges	420,589	408,916
Service charges receivable	99,632	100,016
Rent and service charge losses from voids	(8,554)	(9,662)
Guest room income	240	2,615
Social Housing Turnover	511,907	501,885
Investment property income	257,271	254,903
	<u>769,178</u>	<u>756,788</u>

3 UNITS IN MANAGEMENT

	2020	2019
Social housing for older people	83	82
Warden accommodation	3	4
	<u>86</u>	<u>86</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2020

4 OPERATING COSTS

	Support Costs £	Social Housing £	Investment Properties £	Total 2020 £	Total 2019 £
Estate management costs:					
Wages and salaries	-	39,882	59,823	99,705	56,033
Estate costs					
Repairs and maintenance	-	228,879	30,964	259,843	260,846
Professional fees	-	24,769	31,613	56,382	10,497
Utilities	-	95,235	18,189	113,424	167,480
Insurance	-	20,160	5,012	25,172	12,857
Sundry expenses	360	3,546	1,971	5,877	5,168
Waste	355	6,182	650	7,187	
Cleaning	673	5,163	2,078	7,914	
Bad debt	-	-	-	-	1,251
Administrative costs					
Wages and salaries	154,879	-	-	154,879	164,029
Staff recruitment costs	-	-	-	-	15,575
Office running costs	23,030	-	-	23,030	31,559
Accountancy and audit fees	17,541	-	-	17,541	14,615
Professional fees	-	-	-	-	36,686
PI insurance	578	-	-	578	578
Subscriptions	2,295	-	-	2,295	2,340
Bank charges	1,060	-	-	1,060	862
Donations	-	-	-	-	10,000
Depreciation	2,607	-	-	2,607	2,700
Investment mgm't fees	9,492	-	-	9,492	8,813
	<u>212,870</u>	<u>423,816</u>	<u>150,300</u>	<u>786,986</u>	<u>801,889</u>
Apportionment	<u>(212,870)</u>	<u>113,414</u>	<u>99,456</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>537,230</u>	<u>249,756</u>	<u>786,986</u>	<u>801,889</u>

5 OPERATING DEFICIT

	2020 £	2019 £
Operating deficit is stated after charging:		
Operating leases - other assets	<u>1,524</u>	<u>847</u>

6 AUDITORS' REMUNERATION

	2020 £	2019 £
Audit services	3,570	6,000
Non audit services (includes fees from the previous auditor)	<u>13,971</u>	<u>8,615</u>
	<u>14,615</u>	<u>12,177</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2020

7 BOARD OF DIRECTORS OF THE CORPORATE TRUSTEE AND KEY MANAGEMENT PERSONNEL REMUNERATION

	2020	2019
	£	£
The aggregate emoluments payable to key management personnel	70,590	68,600

The chief executive is not a member of the charity's defined contribution pension scheme. However, the charity makes contributions to their personal pension plan. During the period the total amount contributed to the personal pension was £4,873 (2019 £1,841).

The Board of Directors of the corporate trustee received no expenses or remuneration in the year.

8 EMPLOYEE INFORMATION

	2020	2019
The average number of persons employed during the year expressed in full time equivalents (16 hours or more per week) was:		
Office staff	5	5
Wardens, cleaners and handyman	4	4
	<u>9</u>	<u>9</u>
	£	£
Staff costs (for the above persons)		
Wages and salaries	219,068	195,602
Employer's National Insurance Contributions	20,256	13,859
Other pension costs	15,259	10,601
	<u>254,583</u>	<u>220,062</u>

During the year one employee earned more than £60,000 (2019: one employee).

9 INTEREST RECEIVABLE AND SIMILAR INCOME

	2020	2019
	£	£
Interest received	11,573	26,039
Realised gain/(loss) on the disposal of investments	-	118,109
Miscellaneous income	2,690	21
	<u>14,263</u>	<u>144,169</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2020

10 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £	2019 £
Mortgage interest	12,396	14,506
Realised loss on the disposal of investments	-	-
	<u>12,396</u>	<u>14,506</u>

11 TANGIBLE FIXED ASSETS

	Housing Properties £	Investment Properties £	Freehold Property £	Computer Equipment £	Total £
COST OR VALUATION					
At 1 January 2020	4,040,000	2,877,500	75,000	8,893	7,001,393
Additions	-	255,914	-	3,344	259,258
Transfer	-	(350,000)	350,000	-	-
Revaluations	-	80,000	-	-	80,000
	<u>4,040,000</u>	<u>2,863,414</u>	<u>425,000</u>	<u>12,237</u>	<u>7,340,651</u>
At 31 December 2020	<u>4,040,000</u>	<u>2,863,414</u>	<u>425,000</u>	<u>12,237</u>	<u>7,340,651</u>
DEPRECIATION					
At 1 January 2020	-	-	-	7,390	7,390
Charge for year	-	-	-	2,607	2,607
	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,997</u>	<u>9,997</u>
At 31 December 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,997</u>	<u>9,997</u>
NET BOOK VALUE					
At 31 December 2020	<u>4,040,000</u>	<u>2,863,414</u>	<u>425,000</u>	<u>2,240</u>	<u>7,330,654</u>
At 31 December 2019	<u>4,040,000</u>	<u>2,877,500</u>	<u>75,000</u>	<u>1,503</u>	<u>6,994,003</u>

HOUSING PROPERTIES

Housing properties comprise freehold land and buildings.

Historically, housing properties have been accounted for under the revaluation model and have been formally valued on a five-year cycle, with the corporate trustee providing a valuation for four of the five years. Due to the specialist nature of almshouse valuations, the lack of readily available market information to which the corporate trustee has access, as well as the cost burden on the Trust of moving to an annual valuation cycle, the corporate trustee has decided it would be more appropriate to account for freehold property under the cost model, in line with section 17 (property plant and equipment) of FRS 102

Housing properties are now included at deemed cost of £4,040,000 (historic cost: £4,288,895).

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2020

INVESTMENT PROPERTIES

The corporate trustee has established a five-year cycle for investment properties to be valued by an external RICS qualified surveyor.

The freehold interests in 2 - 16 Bampton Street, Tiverton were valued as at 31 December 2020 by an external valuer, Michael Lloyd, BSc (Hons) MRICS of Stratton Creber, Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards, SORP and FRS102.

The Trust occupies office accommodation within The Market House for the purpose of its operations, the value the external valuer provided for these offices (£350,000) have been transferred to Freehold Property. This was carried out in 2018, but the transfer was not reflected in the 2018 financial statements. Consequently, it has been corrected for in these financial statements. The basis of value was Fair Value.

The remaining investment properties held were valued by the corporate trustee on the basis of fair value as at 31 December 2020.

Valuation is represented by:	2020	2019
	£	£
Historical cost	296,927	296,927
Revaluation	2,566,487	2,580,573
	<u>2,863,414</u>	<u>2,877,500</u>
Revaluation:	2020	2019
	£	£
Balance as at 31 December 2019	2,580,573	2,580,573
Net of additions and transfers	(94,086)	-
Revaluation	80,000	-
Balance as at 31 December 2020	<u>2,566,487</u>	<u>2,580,573</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2020

12 INVESTMENTS HELD AS FIXED ASSETS

(Financial assets measured at fair value through the surplus/ (deficit))

	2020 £	2019 £
MARKET VALUE OF LISTED INVESTMENTS		
At 31 December 2019	3,250,522	2,761,259
Additions	262,261	665,694
Income reinvested	16,487	63,739
Disposal proceeds	(8,517)	(929,612)
Realised gains/(losses)	(4,327)	118,109
Unrealised gains/(losses)	106,414	316,219
At 31 December 2020	3,622,840	2,995,408
Cash held as part of investment portfolio (movement)	(263,236)	255,114
	<u>3,359,604</u>	<u>3,250,522</u>
Historical cost	<u>2,593,996</u>	<u>2,587,000</u>

13 DEBTORS – ALL RECEIVABLE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors		
Social housing rent arrears	4,346	956
Social housing utility arrears	114	-
Other	8,123	3,125
	<u>12,583</u>	<u>4,081</u>
Prepayments and accrued income	32,482	22,154
Other debtors	4,169	4,789
	<u>49,234</u>	<u>31,024</u>

14 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Mortgages	31,802	30,000
Trade creditors and rents paid in advance	43,437	30,071
Other creditors and accruals	34,956	56,171
	<u>110,195</u>	<u>116,242</u>

15 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Mortgages	<u>580,009</u>	<u>613,035</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2020

16 MORTGAGES

(Financial liabilities measured at fair value through the surplus/ (deficit)).

Analysis of maturity of debt:	2020 £	2019 £
Less than one year or on demand	31,802	30,000
Between one and two years	32,394	30,000
Between two and five years	100,871	120,000
After five years	446,744	463,035
	<u>611,811</u>	<u>643,035</u>

The mortgages mature in July 2037.

Capital is repayable in monthly instalments, which commenced in August 2004. Interest is charged at 2.95% and LIBOR +0.65%.

The mortgages are secured on certain freehold housing and investment properties.

17 INCOME AND EXPENDITURE RESERVES

	2019 £	Surplus for year £	Revaluation £	Transferred £	Utilised £	2020 £
Programme of works fund	20,814	-	-	122,430	(122,430)	20,814
Extraordinary repair fund	36,582	-	-	5,040	(510)	41,112
Cyclical maintenance fund	96,547	-	-	1,638	(38,075)	60,110
Routine works	5,208	-	-	62,326	(22,098)	45,436
Other	<u>1,268,893</u>	<u>14,550</u>	<u>63,015</u>	<u>(191,434)</u>	<u>183,113</u>	<u>1,338,137</u>
	<u>1,428,044</u>	<u>14,550</u>	<u>63,015</u>	<u>-</u>	<u>-</u>	<u>1,505,609</u>

Tiverton Almshouse Trust has established a regular programme of works.

Part of other reserves has been earmarked by the corporate trustee for a particular purpose. Such designations may be reversed by future Trustee decisions.

Expenditure is taken through the income and expenditure account. A transfer is then made as appropriate.

18 CAPITAL AND RESERVES

Permanent Endowment

These reserves represent the current value of the Housing and Investment Properties together with the current value of any other investments that were held at the date of the merger and cash deposited with Standard Life on behalf of Alexandra Lodge Trust as at the date of the merger.

Expendable Endowment

These reserves represent the current value of any investments purchased since the merger.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2020

19 CAPITAL COMMITMENTS

	2020 £	2019 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	-	232,245
	<u>-</u>	<u>232,245</u>

20 LEASING COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2020 £	2019 £
Not later than one year	1,417	4,986
Later than one and not later than five years	<u>-</u>	<u>5,313</u>
Later than five years	<u>1,417</u>	<u>10,299</u>

21 PENSION COSTS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £10,386 (2019: £10,601).

22 RELATED PARTY TRANSACTIONS

As at the 31 December 2020 two directors of Tiverton Almshouse Trustee Limited were councillors / employees of related Local Authorities.

The husband of one of the directors of Tiverton Almshouse Trustee Limited is a councillor/employee of related Local Authorities and a tenant of Raymond Penny House.

Any transactions with the Local Authorities were at arms-length on normal commercial terms and these individuals were not able to use their position to their commercial advantage.

23 CONTROL

The ultimate controlling party is the board of directors of Tiverton Almshouse Trustee Limited.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2020

24 RECONCILIATION OF OPERATING SURPLUS / (DEFICIT) TO CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Surplus / (deficit) for the year	196,637	524,020
Rents received from investment properties	(257,271)	(254,903)
Mortgage interest paid	12,396	14,506
Interest received	(11,573)	(26,039)
Dividends received	(30,491)	(68,239)
Depreciation and impairment of tangible fixed assets	2,607	2,700
Realised (gain) / loss on disposal of investments	4,327	(118,109)
Unrealised (gains) / loss on investments	(106,414)	(316,219)
Income reinvested	-	(63,739)
Proceeds of sale of tangible fixed assets	-	-
Carrying amount of tangible fixed asset disposals	-	-
Revaluation on tangible fixed assets	(80,000)	(55,000)
(Increase) / decrease in trade and other debtors	(18,211)	(4,233)
Increase / (decrease) in trade and other creditors	(7,848)	5,483
Net cash flow from operating activities	<u>(295,841)</u>	<u>(359,772)</u>

25 ANALYSIS OF CHANGES IN NET DEBT

	2019 £	Cashflows £	Non-cash changes £	2020 £
Long-term borrowings	613,035	-	(33,026)	580,009
Short-term borrowings	116,242	(39,072)	33,026	110,196
Total liabilities	729,277	(39,072)	-	690,205
Cash and cash equivalents	(1,561,112)	569,614	-	(991,498)
Total	<u>(831,835)</u>	<u>530,542</u>	<u>-</u>	<u>(301,293)</u>

**Report of the Trustees and Audited Financial Statements
For the Year Ended 31 December 2020
For
TIVERTON ALMSHOUSE TRUST**

TIVERTON ALMSHOUSE TRUST
Contents of the Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2020

	Page
Report of the Corporate Trustee	1-14
Statement on internal control systems	15
Corporate Trustees' responsibilities statement	16
Independent Auditor's report	17-19
Statement of comprehensive income (including income and expenditure account)	20
Statement of financial position	21
Statement of changes in equity and reserves	22
Statement of cash flows	23
Notes to the financial statements	24-34

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2020

The Corporate Trustee presents this report with the financial statements of the charity for the year ended 31 December 2020.

INTRODUCTION

The Corporate Trustee is pleased to report that the agreed objectives central to the work of the Tiverton Almshouse Trust of maintaining and improving core charitable activities, planning for the future and delivering a healthy financial position have been satisfied.

Tiverton Almshouse Trust is regulated by the Charity Commission and the Regulator of Social Housing (formerly the Homes & Communities Agency).

This report includes references to the Financial Statements attached and aims to address the regulatory requirements of the Regulator of Social Housing three economic standards: Value for Money, Governance & Financial Viability and the Rent Standard, throughout, as part of the reporting structure.

The total income this year in 2020 from charitable activities and other income was £813,932 (2019: £969,196). The total expenditure was £799,382 (2019: £816,395). The gain on investments was £102,087, which includes an unrealised gain of £106,414 and a realised loss of £4,327. During the year a gain on revaluation of investment properties of £80,000 was recognised. The surplus for the year is £196,637.

CODE OF GOVERNANCE

The Charities Code of Governance 2017 has been adopted by the Board in line with Charity Commission guidance. The corporate trustee has also reviewed the changes made to the code in December 2020 and they will continue to apply this code going forward. Tiverton Almshouse Trust falls between the Code for smaller and larger charities (defined as turnover below and above £1m respectively). The Board aspires to meet the recommendations set out for larger charities whilst maintaining a level of proportionality. The Code is produced by the NCVO, ICSA, ACEVO, Association of Chairs and the Small Charities Coalition with the oversight of The Charity Commission

1. OBJECTIVES AND ACTIVITIES

The objects of the Tiverton Almshouse Trust in the Scheme made by the Charity Commission dated 10 September 2009 (as amended by the Scheme dated 28 July 2014) are:

- a. the provision of housing accommodation for poor persons not less than 60 years old who have lived in the area of benefit for not less than 2 years prior to the appointment.
- b. such charitable purposes for the benefit of the residents as the Corporate Trustee decides
- c. the relief of persons resident in the area of benefit who are in financial hardship by:
 - i. making grants of money to them; or
 - ii. providing or paying for goods, services or facilities for them; or
 - iii. making grants to other organisations or institutions which provide goods, services or facilities for those in financial hardship.

The use of income and capital must firstly be applied to meet the proper costs of administering the charity and managing its assets (including repair and insurance of its buildings) and to make annual payments into the reserve funds considered necessary in the annual budget.

The remaining income to further the objects of the charity are made in the following order of priority:

- a. the benefit of the residents
- b. the relief of financial hardship of persons living in the area of benefit (which is Tiverton and environs).

The greatest activity within the Trust is the maintenance of its properties. In addition to almshouse accommodation, the Trust also owns investment property in Tiverton.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2020

The board considers that the objects are still relevant to the work of the charity. The popularity of the almshouse accommodation, the low level of voids and the financial security of the organisation means that it achieves, and can sustain, its objectives. Plans for the future address how those objectives can be taken forward to enable beneficiaries to continue to benefit from the Trust's charitable activities as the government and society shifts to take care of a higher proportion of an ageing and frail older population.

Public Benefit

In carrying out the Trust's aims and objectives and in measuring achievements and performance, the Corporate Trustee has had regard to the Charity Commission's guidance dated February 2014 entitled "Public Benefit: rules for charities". Given that the Trust's objective is the relief of poverty (see objects above) only the benefit aspect of "public benefit" requires satisfying. The Commission specifies that the purpose of the charity must be beneficial in a way that is identifiable and capable of being proved by evidence where necessary and not based on personal views. Perhaps the most quantifiable measure to identify whether the charity has a benefit to the local population eligible for accommodation is the low level of voids within the almshouses. COVID-19 restrictions and lockdowns were the cause of a small number of voids in 2020 as work could not be completed during these periods to empty almshouses to get them ready for new residents. In effect, the Trust had no voids that were not directly attributable to the pandemic.

In line with the Trust's governing scheme 2009, the charity provides housing for local people over 60 years old and in financial need. Through regular advertising, open days, contact with Mid Devon District Council, and local voluntary agencies such as Age UK and local charities such as the Churches Housing Action Trust (CHAT) the Trust reaches a wide audience. Eligible applicants waiting for accommodation are numerous and from a wide variety of backgrounds indicating that the Trust is reaching its beneficiary group. Nevertheless, The Corporate Trustee strives to raise the profile of the Trust within the town still further and the Annual Plan has specific targets for ensuring wider awareness which were met during the year. The rigorous application of a points system ensures each applicant meets the required criteria, enables each applicant to be prioritised primarily based on financial need. The applicant in greatest need at the time a vacancy arises is offered the accommodation regardless of how long they have been known on the list.

Tiverton Almshouse Trust almshouse properties are usually fully occupied with no voids (a void is defined as an empty flat awaiting allocation with no further redecorating or refurbishment required before it is occupied). The National Almshouse Association considers a 5% minimum void rate is acceptable and a void allowance of up to 12.5% may be suitable for small groups of almshouses, given the specific beneficiary group they serve. That would indicate that 4 to 9 of the Trust's properties could be void at any one time.

During 2020 eleven vacancies arose (nine in 2019). Three properties were void for on average 2 months as a direct impact of the COVID-19 pandemic and the UK Government restrictions placed upon us all. This led to the Trust not being able to secure contractors to undertake these works during the initial lockdown period from March to June 2020. Once there was a gradual easing of lockdown restrictions, contractors were in high demand, yet we were able to carry out significant refurbishment, including replacing kitchens and bathrooms with these larger projects taking on average four-five weeks to complete. Despite the impact of the pandemic, the Trust was able to secure new residents immediately as it maintains a detailed application list of eligible local people in need who had been previously interviewed so that they could be offered vacant almshouses. In some cases, in flats where minimal work was needed, the turnaround in the flat getting it ready for the new resident was just one week.

Properties

In total there are 83 almshouses, and three units are occupied by two Resident Wardens and the House Manager. One almshouse for a resident warden was extended in 2019 to accommodate her young family leaving the Trust with 82 almshouse. However, as the post holder has now changed this extra space was no longer needed and has been converted back to the original almshouse. They are provided on three geographically separate sites within Tiverton, namely:

- (i) Greenway Gardens, King Street
- (ii) Sles, Angel Terrace
- (iii) John Greenway Close, Gold Street

The accommodation is designed for independent living, as residents get older, the Trust continues to support them for as long as possible and some residents receive third party care packages, social/community services assistance and support from the mental health team as required.

Tiverton Almshouse Trust owns the freehold of a number of commercial properties in the centre of Tiverton comprising retail and residential flats as well as two office buildings known as Raymond Penny House and John Greenway Building in the centre of town. The Trust also owns two terraced houses in Westexe, Tiverton.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2020

Going Concern

After a detailed review and examining major areas which could give rise to significant financial risk, the directors are satisfied that no material exposures exist other than as reflected in these Financial Statements and the Trust has adequate resources to continue its operations for the foreseeable future. The directors and management team review quarterly budgets with our external accountant, which include a minimum forecast 12-month period as well as a programme of works for 5 years. Cash liquidity is monitored through our updated summaries of cash and investments which the board review in detail at Property & Finance meetings 5 times a year and at the board meeting 4 times a year. We have also engaged an independent financial advisor from Stafford House Investments, Andrew Mayne, to produce an annual report to review all our investments in terms of risk. Tiverton Almshouse Trust is not dependent on investment income and market performance. We receive a steady income from commercial rents and weekly maintenance contributions from our almshouse residents, which meets our annual running costs. Large one-off projects regarding property development and/or significant repairs are reviewed against cash liquidity and available funds, which do not form part of the trusts permanent endowed fund. Five-year quinquennial inspections are carried out by Assinder Turnham on all our properties on a rolling programme, so we can plan for large expenditure required over coming years and factor into our budget.

The World Health Organisation (WHO) classed COVID-19 as a pandemic on 11 March 2020. Following that announcement, the Government in the UK introduced various measures to address the impact in the UK resulting in lockdown from 23 March 2020. Our sympathies continue to be with all those affected in any way by the virus. The UK continues to evolve in response to the challenges of COVID-19 and we continue to take proactive steps to ensure that we are well-positioned to respond.

The Trust took proactive measures as soon as the pandemic was announced. We introduced a new cloud-based IT system, that enabled all files to be accessed remotely by staff and directors through a secure portal. In order to ensure robust governance and to ensure board meetings could go ahead, staff and directors were supported to use remote video calling for meetings as social distancing prevented face to face meetings. The Trust reviewed its risk register regularly and introduced a new crisis policy was put in place so that all staff and directors were aware of the steps we were taking to respond to the pandemic and to keep the Trust running effectively, efficiently and safely. We also reviewed our budgets to assess our assumptions, look at any loss of income and to look at any potential risks or impact if for example, commercial units undergoing refurbishment were delayed in being leased.

Our office was closed to visitors and staff were supported with new computer equipment to be able to work remotely where necessary. We risk assessed our offices and housing sites, increased cleaning regimes, bought additional PPE for staff, sanitisers units for across the sites, closed our guest rooms and ceased our social events for residents.

Some works to residential flats and retail units being refurbished were delayed due to contractors having to stop work due to the lockdown and also delays in securing materials, this delayed us being able to move new tenants in by several months and therefore there was a loss of income that could have been achieved.

We contacted all our commercial tenants to find out the financial impact on their businesses throughout the lockdown, particularly those forced to close temporarily. We agreed flexible payment plans for those who were in immediate financial hardship and signposted all to government schemes for financial help which some were able to access throughout 2020. We reviewed our investments with our fund manager and took advice about the volatility of the investment market as there were some losses at the start of the pandemic which have been improving throughout the year for some of our investments.

Covid has impacted the year by some increased costs for staffing where staff were asked to work some additional hours to ensure the Trust was able to run smoothly, additional costs for equipment, cleaning and PPE resources, delays due to lockdown leading to a loss of some income for some vacant almshouses, residential and retail units that were in the middle of refurbishment work. The Trust has calculated additional costs for cleaning, equipment, PPE to be £6,780. At the end of the year all almshouses and retail units were full and all commercial tenants had paid their rents up to date.

2. ACHIEVEMENTS AND PERFORMANCE

Maintaining Properties

The Charity Commission Scheme clearly states that the main object of the charity is to provide almshouses for a specified group of local people. Income and capital must first be used to meet the proper costs of administering the charity and repairing, maintaining and insuring the buildings.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2020

Total expenditure (operating costs) decreased by £17,013 to 799,382 in 2020. 2019 included essential upgrade works to the residents' Tunstall Emergency Call System primarily, which formed part of the utilities cost. Note 4 to the Financial Statements provides a comparison and more detail is provided below. In 2020, and in line with the quinquennial surveys, the Trust undertook a budgeted programme of works and cyclical maintenance.

All significant contracts for programmed works and significant repair works are put out to tender. The specification and contract administration (including tender administration and reporting) has been undertaken this year by Assinder Turnham, Chartered Surveyors. Minor routine maintenance is undertaken either by the Trust's handyman or by one of an approved number of sub-contractors. Quotes are not required for work anticipated to be less than £3,000 to avoid inefficiency and wasted staff time and sub-contractor time. Sub-contractors are required to breakdown labour and parts entries on invoices and, where possible, discounts for regular work are requested and often granted. All invoices are reviewed three times – by the Finance Administrator, Property Manager, and finally the Chief Executive before being approved by directors. At the end of the year all almshouse properties were occupied and all residential and commercial properties were occupied, apart from one retail unit, which was then leased in January 2021.

Maintenance of Almshouse Properties

Of the £799,382 total operating costs and interest payable in 2020 for all properties (investment properties and almshouses combined) £228,879 was spent on almshouse maintenance by way of programmed works, general redecoration and, where necessary redecoration and refurbishment of the eleven flats that became vacant. Within the programmed works are two rolling programmes, namely: boiler replacement and kitchen upgrades/bath replacement with showers at John Greenway Close and Greenway Gardens. Boiler replacement costs this year were £75,141 (2019: 25,130), bathroom and kitchen replacements were £80,853 (2019: £69,439).

Increased regulation means increased routine checks, which continue to present additional financial cost and staff time. The two most costly regulatory functions relate to legionella prevention and fire safety. The monthly, six-monthly and annual checks for monitoring water hygiene systems to reduce the risk of legionella cost the Trust £5,949 in 2020 (2019: £8,912). This reduction is a result of undertaking less remedial work than in the previous year.

To check fire detection systems the cost in 2020 was £5,498 (2019 £5,513) Where possible staff carry out routine checks but specialist services are more frequently required to fulfil legal obligations. The requirement to meet more robust guidance and regulations in buildings of differing ages and styles means the Trust is reliant on specialist contractors to carry out some of the works. Quotes are invited for this work and annual contracts awarded.

Residents' Satisfaction

The Trust is committed to improving services and to understand what are the most important issues and priorities for our residents by gathering their valuable feedback. We carry out an annual residents' satisfaction survey, results for 2020 are below compared to 2019 results.

Residents Satisfaction Survey	2020	2019
Satisfaction with overall service	95%	98%
Satisfaction with the overall quality of your home	93%	99%
Satisfaction of feeling safe living in your almshouse	100%	98%
Satisfaction that your weekly maintenance contribution provides value for money	94%	99%
Satisfaction that your utility contribution charge provides value for money	95%	99%
Satisfaction with repairs and maintenance	95%	96%
Satisfaction that Tiverton Almshouse Trust listen to your views and acts upon them	95%	84%

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2020

The Trust joined a benchmarking group called Acuity 2018 to compare the annual costs of running the almshouse properties with similar almshouse charities and small housing associations across the country. Our level of residents' satisfaction scores very favourably with other organisations. We sit just below the median for spend on reactive repairs and just above for cyclical and major repairs. We have invested in a bespoke property management system for the Trust and introduced cloud-based IT systems, which will help going forward in recording more detailed data for benchmarking.

Investment Property Maintenance

Expenditure on day-to-day maintenance on the Trust's investment properties was significantly less than on almshouse properties, which is to be expected given the tenancy agreements on the former which oblige commercial tenants to keep properties in good and tenable repair. In 2020 the routine and cyclical maintenance expenditure for the Trust on these properties was £60,173 (2019: £22,248), primarily consisting of servicing and general repairs and including the planned works.

Provision of Almshouse Accommodation

Tiverton Almshouse Trust is a social housing provider registered with, and regulated by, the Regulator of Social Housing (formerly the HCA). The Trust is also a registered charity and therefore regulated by the Charity Commission. The main purpose of the organisation is to provide housing to local people over 60 years of age and in financial need. Applications are encouraged from anyone who believes they fulfil the basic three criteria and are scrutinised in line with an internally approved policy which is regularly reviewed (at least every three years) to ensure consistency and relevance (see below).

Two out of our three sites have a Resident Warden. The third site, known as Sles, is a historic building in the town centre comprising three flats. Residents at Sles are not visited regularly by a Resident Warden but the House Manager will visit as necessary. This is because, in general, residents at Sles need to be mobile due to the restrictive historical layout.

The Resident Warden's remit is to ensure the daily well-being of all residents and although they are not medically trained and do not provide personal care, they assist residents in day-to-day living. Their role can be described as "being a good neighbour". There is a 24-hour emergency call system within Greenway Gardens and John Greenway Close enabling residents to access emergency help at all times of the day and night. The Resident Wardens maintain regular contact with family members when necessary and, in particular, when a resident is unwell. Resident Wardens also provide a variety of social activities where residents are invited, but are not obliged, to attend. These are held within the Community Room on the two main sites. With COVID restrictions in 2020, for residents and safety, group events have not been able to be held for the majority of the year.

Every six weeks there is a meeting on each of the main sites attended by appointed Directors of the Pastoral Sub-Committee, the Chief Executive, the House Manager and the Resident Warden to discuss management and resident issues. Directors on this committee are also responsible for interviewing new applicants and allocating vacant almshouses.

Residents pay a Weekly Maintenance Contribution for their accommodation and a contribution to water supply and gas (Utility Contribution). Weekly Maintenance Contributions (WMC) vary from £89 per week to £117 per week depending on the accommodation that is provided. In addition, all residents pay a £23.50 Utility Contribution based on single occupancy and £29.50 per week based on double occupancy. The Corporate Trustee aims to keep resident contributions as low as possible taking into account formulas provided by the Regulator of Social Housing (RSH) and equivalent fair rent assessments from the Valuation Office Agency (VOA). The latest VOA assessment was undertaken in November 2019. WMC was kept to £2 per week increase and there was no increase to the Utility Contributions. In addition, the Chief Executive consults with Mid Devon District Council on any WMC increase to ensure that those residents who require assistance can access 100% of the rent payment through housing benefit if eligible.

The Corporate Trustee strives to ensure a fair, consistent and transparent process when allocating almshouse accommodation. There is an approved policy within the Trust to advertise in the local newspaper, website if necessary, maintain regular contact with local organisations such as Age UK and the Churches Housing Action Trust (CHAT) as well as Devon Home Choice (the bidding portal for local authority housing and housing associations). Adverts are also placed in Mid Devon District Council's reception. All applicants must complete a comprehensive application form including a financial information section and be interviewed by the appointed Directors and CEO. A points system is in used to ensure consistency. Those applicants placed on the list awaiting allocation are regularly reviewed and applicants are encouraged to keep in touch with the House Manager.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2020

A good working relationship with Mid Devon District Council and local housing charities ensures a wide- ranging local awareness of the almshouses as well as staff presentations by Zoom to local groups and articles in local papers. Innovative ways to widen the search for applicants are put in place and once an applicant is accepted in principle a priority weighting system ensures the applicant in greatest need is offered any vacancy first, in accordance with the Scheme.

The continuing lack of care homes within the town and surrounding means that residents are staying in their homes longer than in previous times. Social care support is now provided at home and hospital admissions generally reserved for emergencies, which means that care agencies and health professionals are frequently on site.

Alexandra Lodge

Planning permission was granted in 2015 to The Abbeyfield Society for the redevelopment of Alexandra Lodge, an empty listed house in gardens within the town, for a 45-bed extra-care unit. The freehold of the property is owned by Tiverton Almshouse Trust and, following planning permission, a 250-year lease was signed to The Abbeyfield Society. Since then, progress has been slow and due to financial issues Abbeyfield may not be able to continue with their plans for this site. Tiverton Almshouse Trust are in communications with Abbeyfield to see the options that they are pursuing to ensure the site is able at some point in the future to be developed by another organisation to ultimately benefit the people of Tiverton.

Relief of Financial Hardship

The additional objectives of the charity allow for the relief of poverty for local people who are in financial hardship by making grants of money to them or making grants to other organisations or institutions with similar aims. The amount of money donated to achieve this objective is considered by the Corporate Trustee at the AGM each year and the donation may be approved to a local organisation with similar aims. No donations were made in 2020.

3. **FINANCIAL REVIEW**

The Corporate Trustee reviews its reserves and, in particular the non-designated funds and expendable endowment to be used for “the proper costs of administering the charity and of managing its assets” (Charity Commission Scheme September 2009). A Reserves Policy addresses the Expendable Endowment and designates funds to the actions approved in the Five Year Strategy. There are regular reviews of operational risks and requirements, sufficient reserves are maintained in order to address these requirements.

Specifically, funds were set aside to refurbish existing residential and retail investment property in September 2019 and work was undertaken to produce a specification and complete a tender process for a refurbishment of this commercial and residential investment property. This work started in January 2020.

As stated in the Investment Policy, the objective of the Corporate Trustee in holding investments within a share portfolio is to produce the best financial return and capital growth within an acceptable risk and to balance the income and capital return.

The four risks identified in the report last year still stand, namely:

- i. Capital growth not keeping up with inflation thereby leading to a decline in the real value of the investment
- ii. Fluctuating income from share portfolios and deposit accounts due to COVID-19 pandemic
- iii. Bank default.
- iv. More topically, the unknown effect of the current Brexit negotiations is noted.

To limit the above risks the board has delegated certain decisions to the Property & Finance Sub-committee (which consists of over half of the board's number) including allowing those members to re-invest maturing funds subject to the current Financial Services Compensation Scheme Limit. This allows decisions to take advantage of available investment offers (especially fixed rate bonds open for a short time) by acting in a timely manner. All investments, apart from those held within share portfolios, are monitored at every sub- committee meeting.

Shareholding portfolios are managed by professional brokers and/or fund managers and an annual review is undertaken at the November board meeting of the Corporate Trustee. An external investment review takes place annually.

The Corporate Trustee has considered ethical investments in line with ensuring that investments are not made into companies with opposite values from that of the Trust and has therefore put restrictions on investing in any

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2020**

fund that is linked to the production or sale of Tobacco.

It also considered companies who seek to make people homeless, however, this would be difficult to monitor and enforce. It was decided not to impose this ethical restriction. The Corporate Trustee accepts that the ethical values of individual directors must not compromise policy decisions.

The Statement of Comprehensive Income shows that income received from almshouse residents' weekly contributions (including service charges) has increased by £10,022, primarily as a result of the annual review of charges in April. The Corporate Trustee is mindful of maximising income (for the charity's future sustainability) commensurate with fulfilling the Charity Scheme objective to ensure no resident suffers financial hardship.

Operating costs (note 4) show some changes from the previous year. 2019 was the first time the Trust analysed costs related to social housing and investment properties and apportioned costs across the two areas. There has been an increase in the contracted management hours, but administrative wages and salary costs decreased in 2020 by £9,150, compared with 2019. Overall wage costs are up by £34,522 compared to 2019.

The income from fixed asset investments (shareholdings and deposits) decreased by £37,748 over the year mainly due to the volatile market caused by the COVID-19 pandemic. The managed portfolio is valued at £1,368,407 (2019: £1,303,606).

The annual total return on the managed portfolio is reflected in Note 12, with unrealised gains of £102,087 (2019: £316,219).

Last year directors decided not to reinvest the income from the managed portfolio but to receive it as dividends and interest. The impact of this decision can be seen in Note 12 where income reinvested has decreased from £63,739 in 2019 to £16,487 in 2020.

Rents receivable from investment properties have increased to £257,271, compared to the 2019 year (£254,903). At the year-end there was just one commercial void. A significant investment was made by the Trust to develop a large commercial property and 4 residential flats situated above, that had been leased by a larger retailer for the last 50 years. We submitted a dilapidation claim to this retailer at the end of their lease for £89,687, however the retailer has now gone into a Company Voluntary Arrangement, so unfortunately the external administrators have deemed that only £2,690 is eligible to be paid to us from this debt within the next 19 months, despite the significant investment the Trust had to make to bring the building and flats back into an acceptable standard for future tenants. £2,690 is included in current assets to reflect the money owed to the Trust.

Professional valuations are undertaken on a five-year rolling programme and this year took place on 2 – 16 Bampton Street, which increased in value by £80,000, from £1,420,000 to £1,500,000.

Informal valuations were undertaken by the corporate trustee in 2020 on the remaining almshouse and investment properties and kept at 2019 levels.

Permanent endowment (identified as investment properties, housing properties and other investments agreed as such by the Charity Commission as part of their investigations prior to the merger in 2009) has increased from £8.52m to £8.53m, reflecting, the unrealised gain on investments.

Other Reserves of £1,505,609 shown in the Statement of Financial Position are identified in note 17 and split into:

1. The Extraordinary Repair Fund (ERF) which allows for unforeseen expenditure necessary to carry out the Trust's objectives.
2. Programmed Works are based on the five-year budget forecast, the quinquennial surveys and conditions surveys that are carried out for the Trust on a regular basis to ensure that there is a rolling programme of maintenance.
3. The Cyclical Maintenance fund reflects expenditure on work to maintain properties that is undertaken every so often on a regular, but not annual, basis, such as redecorating almshouses when a resident moves out.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2020

The mortgage debt for the 2004 development of thirty-two new almshouses at John Greenway Close remains the single largest financial commitment. The financial statements show the annual interest payment for the year £12,396 and reduction in the value of the outstanding mortgage of from £643,035 (2019) to £611,811 in 2020.

The mortgage is held in two separate accounts, one fixed until 2022 and one variable allowing just over half of the sum owing to be paid off at any time should directors deem prudent to do so.

4. PLANS FOR THE FUTURE

A five-year plan (2017-2022) has been approved by Directors. In summary the aim within that plan over the five-year timescale is to:

- i. Improve/adapt housing to enable residents to stay as almshouse residents for as long as possible.
- ii. Improve warden services to enable residents to stay as long as possible.
- iii. Work with third parties to assist in providing the next step for residents requiring greater care.
- iv. To improve public awareness of the Trust, including awareness within local organisations.
- v. To investigate the provision of new almshouses where the opportunity arises.
- vi. To ensure all commercial properties are fully let and updated where necessary for new tenants.

The five-year plan translated into the following annual plan and achievements for 2020:

- i. To refurbish the bathrooms within vacant ground floor flats at John Greenway Close to shower rooms. It was decided to include refurbishment of all vacant units whether ground or first floor.
- ii. To investigate the provision of greater support for residents (through telecare, midday meals). The replacement of the Tunstall emergency call system took place in 2019.
- iii. Tender process was implemented for the refurbishment of one vacant commercial property and 4 residential flats above it. Work was completed in 2020.
- iv. A review of accounting software and IT systems was undertaken, and new more efficient systems introduced.
- v. During the consideration of the Reserves Policy, Directors decided to widen the search for a redevelopment opportunity for additional almshouses and this was a focus for 2020, with options being investigated.
- vi. To undertake talks, advertising, greater social media reach and closer liaison with the local community, local groups and Mid Devon District Council with a view to increasing the awareness of the Trust in providing homes for local older people in need, good progress has been made on this objective.

5. CHARITY STRUCTURE, GOVERNANCE AND MANAGEMENT

Tiverton Almshouse Trust is regulated by The Charity Commission and the Regulator of Social Housing (formerly the HCA). Under the latter, it is classed as a Registered Provider of social housing. In 2014 a new Charity Commission Scheme changed the way the Trust was governed. Tiverton Almshouse Trust is a registered charity with the objects outlined above (see section 1). The 2014 Scheme gave permission for the charity to have one corporate trustee rather than twelve individual trustees and, as a result, a new company limited by guarantee known as Tiverton Almshouse Trustee Ltd was established to be that sole trustee.

Within the company (the corporate trustee) are the twelve voluntary directors (previously called trustees). The Tiverton Almshouse Trust Scheme provides the corporate trustee with the same powers as before and the Articles of Association provide further provisions. The incorporated structure is more recognisable to banking and commercial sectors and provides directors with increased indemnity protection.

The directors have a term of appointment of five years. directors can be re-appointed and there is no maximum number of terms for re-appointment. Instead, directors due for retirement on the rotation basis are interviewed by the Recruitment Sub-committee under an agreed procedure which remains the same for all directors.

A set series of seven questions probing the interviewee's commitment to the charity and its purpose, the time available for the necessary workload, the skills that can be brought to the board and the individual's hopes and aspirations for the charity for the next five years are all discussed in depth and reported back to the board at the AGM when re-appointments are decided. In this way the board can retain committed and energetic directors regardless of their length of term.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2020

Prior to appointment and re-appointment directors must sign the Charity Commission's Declaration of Eligibility to serve. At each meeting of the board and the sub-committees, all potential, real and perceived conflicts of interest, loyalty and perception are declared, recorded and discussed. In the event of a conflict or likelihood of a conflict the director in question is asked to leave the room at the appropriate time or refrains from voting on the matter in question.

There are currently the eleven of the full twelve permitted directors under the Articles of Association. The board considers that it has the necessary skills and attributes without actively seeking an additional director. The internal audit of the board takes place at the AGM in May.

Directors

Name	Position	Date appointed/resigned	Skills and experience
John A Pulford	Chairman	Reappointed 14 May 2019	Retired Local Government Officer
Brenda Stanley	Director	Reappointed 5 May 2019	Retired Businesswoman
Alison W Maunder	Director	Reappointed 8 May 2018	Retired volunteer Age UK, retired Nurse.
Michael H C Biggin	Director	Reappointed 3 May 2019	Retired Finance Manager
John N Rendle	Director	Reappointed 8 May 2018	Businessman
Janice A Hutchinson	Director	Reappointed 9 May 2017	Retired Teaching Assistant
David H Hamer	Director	Reappointed 14 May 2019	Retired Chaplain
Robert J Cumes	Director	Reappointed 3 May 2016	Retired Operations Manager
Victoria Burston	Director	Appointed 14 May 2019	Business Owner
Susan Hollins	Director	Resigned 7 July 2020	Counsellor

Nominated directors appointed by Tiverton Town Council:

Wallace Burke	Director	Re-nominated 14 May 2019	Town Councillor
Claudette Harrower	Director	Re-nominated 14 May 2019	Town Councillor

Office of the Trust

The office of the Tiverton Almshouse Trust is: The Market House, 18 Bampton Street, Tiverton, Devon EX16 6AA.

Trust Staff

D Woodward	Chief Executive
A Parkins	Property Manager
N Anderson	Finance Administrator (Appointed 21 st September 2020)
L Brooks	House Manager
H Evans	Secretary/Receptionist
G Strong	Handyman/Gardener
M Pike	Cleaner

Resident Wardens

L Pearce	Resident Warden, John Greenway Close
E.Kerrigan	Resident Warden, Greenway Gardens (Appointed 26 th October 2020)

Advisors to the Trust

Auditors:	PKF Francis Clark, Centenary House, Exeter, Devon
Accountants:	William Withers & Co., Quayside House, Tiverton, Devon
Bankers:	Unity Trust Bank, 9 Brindley Place, Birmingham
Solicitors:	Ashfords, Gotham House, Tiverton, Devon
Investment advisors:	Investec Wealth & Investment, Keble House, Southernhay Gardens,
Exeter Commercial surveyors:	Mettam Ware, 15A Fore Street, Tiverton and Stratton Creber, 20 Southernhay West, Exeter
Property Surveyors:	Assinder Turnham, 6/7 Southernhay West, Exeter

Structure of the Trustee's Board of Directors

The board of directors comprises an elected chairman and vice-chairman who are voted a year of office at the AGM held every May. The board of directors meets quarterly each year at the Trust's offices.

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2020

In addition, there are four sub-committees:

1. Property & Finance which meets every six weeks
2. Pastoral (an executive committee) which meets every six weeks
3. Policy which meets as necessary and not less than twice per year (in practice every two months)
4. Recruitment which meets between November and May each year prior to the retirement by rotation at the AGM and as necessary when a director vacancy arises.

Board meetings are held four times each year with an AGM in May. No business may be transacted at a board meeting unless four directors are present as a quorum.

Following the incorporation, directors approved a governance policy covering the way business is transacted within the sub-committees and within the main board in line with the Articles of Association. The governance policy was revised in 2018.

Director Vacancies

Vacancies for nominated directors are filled by Tiverton Town Council held in accordance with the ordinary practice of the Town Council. They elect two councillors as their representatives on the Trust's board and the term is for four years.

The Articles allow for retirement by rotation meaning that at each AGM one-fifth of the elected directors retire from office. Retiring directors can re-apply for another term and will be asked to meet with the Recruitment Sub-Committee prior to the AGM to discuss their application (see above and below).

The approved policy for recruiting new directors is to advertise following a skills audit of the board and includes provisions for appointment, declarations and managing conflicts of interest/loyalty.

Once appointed, the new director is encouraged to visit all the almshouse sites (if they have not already done so) accompanied by the CEO, house manager or a member of the office staff. In addition, the new director is invited to sit as an observer on all sub-committee meetings for a period of at least six months to enable them to become familiar with workings of the Trust and the day-to-day issues. After the six-month induction, the new director is encouraged to participate within one or more sub-committees when appointments are made at the AGM.

Appointment and Training of staff

Members of staff are appointed in accordance with the approved policy. Remuneration of all staff is reviewed on an annual basis in April and increases are based upon a comparison with public sector and private sector pay settlements. When available more specific comparisons are made with other almshouse or housing charities of the same size and operation.

A rolling programme of training is operated including fire procedures, health and safety risk assessments, food hygiene, first-aid, working at height, safeguarding, lone-working, mental health awareness and data protection. The Almshouse Association provides the most relevant and practical forum for directors and staff training.

Applying the Charities Code of Governance 2017

The corporate trustee has considered, in detail, the best practice guidelines within the Code. There is an obligation upon charities to apply the Code or explain why they have not. Whilst the overwhelming majority of markers have been met there are some which are in the process of being more fully integrated such as (benchmarking). The corporate trustee has also reviewed the changes made to the code in December 2020 and they will continue to apply this code going forward.

Some guidelines are not applied for good reason. Contracts with local sub-contractors undertaking small-scale routine maintenance work are kept as verbal contracts in the interest of speed, efficiency and experience of comparative costs.

Regarding director appointments, the corporate trustee considers that a restriction on length of term would not be in the best interest of the organisation for the following reasons:

- i. There is a robust written procedure on trustee appointments that takes a pragmatic view of the size of Tiverton and the availability of volunteer directors.
- ii. Each director has a peer review at the end of their term with set questions relating to the skills, time and level of commitment they can give to the Trust. Responses are considered by the Recruitment

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2020

Sub-Committee (which consists of different members each year) and a recommendation is made to the Board at the AGM.

- iii. Past experience has shown that professionals appointed as directors can lead to conflicts of interest and loyalty given the size of the town.
- iv. Consistency and local knowledge are highly valued by directors.
- v. Directors consider that it is not the length of term but the added value and input a director can give to the Trust that is important.
- vi. In the event of a vacancy, directors would be willing to be flexible and adapt current meeting arrangements in order to ensure a diverse board.

Applying the Value for Money Standard 2018

Tiverton Almshouse Trust is a registered social provider and, as such, published annual evidence within these statutory accounts to enable stakeholders to understand our performance as compared with the metrics set out by the regulator, compare those to our peer group and address any areas of underperformance.

Tiverton Almshouse Trust has recently joined Acuity Benchmarking Group for small social housing providers and our second annual benchmarking report has recently been submitted. Improvements we have made in collecting and collating our data this year has increased the accuracy of the submitted figures.

The Trust scored very highly in terms of resident satisfaction and repairs performance. Our management of voids, regarding costs and the time to turn these around, were at the lower end of the median but it was clear that there were some differences in how organisations accounted for this element of the process.

Our WMC collection and arrears were below the average and our sickness absence figures were the lowest within the group. Our weekly spend per property is in line with similar costs across comparable organisations.

The Trust's repairs and maintenance costs are above the average in some cases as are our overheads but when considered as a proportion of our turnover, it returns the Trust to the median line. Management costs have increased due to having new staff in a new post and higher qualified staff in another. Further, improved reporting on staff recording work related to Almshouses has also contributed to the increase.

Our Major and Cyclical works are high compared to other organisations in part due to which type of services are considered Cyclical by different organisations; the Trust has recorded the Tunstall emergency call system as cyclical for example.

The standard refers to activities across the board and includes activities relating to the Trust's investment properties where relevant.

There are seven metrics within the standard:

1. **Reinvestment** (the scale of investment into existing housing, acquisition or development of new housing in relation to the size of the asset base). This metric looks at the investment in properties as a percentage of the value of total properties held. The Trust did not acquire or develop any new housing in 2020 and currently operates 83 social housing units. The measure for The Trust in 2020 is 5.67% (2019: 5.91%). In both years the expenditure on existing properties has been a combination of programmed refurbishments of bathrooms to shower rooms and a rolling programme replacing boilers. The section on Maintenance of Almshouses contains further detail.
2. **New supply delivered** (units acquired or developed in the year as a proportion of existing housing stock). Given there were no additional units acquired the measure is zero.
3. **Gearing** (Proportion of borrowing in relation to the size of the asset base). The Trust's borrowing relates to a mortgage taken out when the 2004 new development of 32 houses was built. The loan is valued at £611,811 at 31 December 2020 representing a gearing of 15.14% (2019: 15.92%). The board is not proposing to take on any further loans in 2021 and reviews annually the financial benefits of paying off part of the mortgage that is unfixed versus the interest and return on investments.
4. **Earnings before interest, tax, depreciation and amortisation major repairs included** (Indicates liquidity and investment capacity). The EBITDA MRI interest cover seeks to measure the level of surplus that is generated compared to interest payable. The Trust's measure for 2020 is 113.62% (or 1.136 times).

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2020**

5. **Social housing cost per unit** The Trust's social housing cost per unit for 2020 was £2,937, (2019: £2,690) the applicable costs related to management, repairs and maintenance and service costs which was higher in 2020 due to works to replacing boilers, kitchens, bathrooms and upgrading works.
6. **A Operating Margin % (Social Housing Lettings Only)** demonstrates the profitability of operating assets before exceptional expenses are taken into account. In calculating this only operating costs directly attributable to social housing costs have been included, the margin for the Trust for 2020 was 17.21% (2019: 20%).
- B Operating Margin % (Overall)** as above however including all operating costs against social housing income and rents receivable from investment properties the margin for the Trust for 2020 was -2.32% (2019: 5%). Although the Trust's total expenditure (note 4) has decreased compared to 2019, the 2019 calculation included an adjustment for various exceptional costs (totalling £100,434). 2020 has seen an increase in some specific costs areas, partly as a result of COVID-19, as well as changes in staffing, resulting in a lower margin this year.
7. **Return on capital employed % (ROCE)** the metric compares the operating surplus to total assets less current liabilities, the Trust's ROCE for 2020 was 0.13% (2019: 1.34%).

Managing Risk

The Corporate Trustee regularly reviews the potential risks to the Association and aims to take a balanced and proportionate view. Professional advice is taken where necessary and regularly.

Where decisions are taken to commit significant financial resources, the financial return is considered along with the social investment return and the furtherance of the charitable objectives.

Nevertheless, the corporate trustee is acutely aware of the potential risks facing the Trust and a rigorous system of checks and balances is in place and reviewed regularly. A detailed risk register serves to prioritise governance, operational, compliance and external factors that pose the greatest concern and a management plan is enforced to reduce exposure. Greatest risks can be grouped according to residual risk priority and summarised as follows in order of concern:

- i. **Regulatory and Statutory**
 - a. Changes in government policy leading to reduced income, increased regulation and therefore increased expense and staff time.
 - b. Maximising the positive impact upon beneficiaries but ensuring this is within the parameters of the Charity's objects.
 - c. Governance matters that arise from a small staff team (such as dependence on key staff).
 - d. Recognising the potential for conflicting interests and loyalties given the directors within the corporate trustee are local lay people with numerous local connections and local businesses.
 - e. Reducing the possibility of unknown changes in legislation and regulation (sometimes originating in indirect departments).
- ii. **Specific risk mitigation measures relevant to the Financial Statement:**
 - a. **Fraud:** Day-to-day administration procedures are undertaken to reduce the risk of fraud and certain functions (such as payroll) are outsourced. An external financial review was undertaken in 2019 as good practice and also a new Fraud Policy and Fraud Response Plan was implemented to the robust list of policies and procedures already in place.
 - b. **Loss of Income (Property):** Measures are taken to minimise almshouse voids (see report above) by advertising and maintaining close working relationships with local organisations and the local authority. Commercial rent levels have dropped considerably in recent years due to the uncertain economic climate preceded by a recession, but staff strive to ensure good working relationships with commercial tenants, keep the properties in good working order and keep close monitoring of rental payments to minimise the risk of arrears and to maintain continuity of tenants.
 - c. **Loss of Income (other assets):** An annual investment review is held every November and monitored every six weeks by the Property & Finance Sub-Committee.
An approved Investment Policy is reviewed every three years. Discretionary power has been given to the Trust's brokers who manage the largest portfolio, other investment providers are managed funds or deposit accounts. The corporate trustee aims for a wide variety of deposit accounts balancing long term and short-term investments and, as far as reasonably possible, invests no more than the maximum cover provided by the Financial Services Compensation

REPORT OF THE CORPORATE TRUSTEE YEAR ENDED 31 DECEMBER 2020

Scheme.

- d. Unforeseen Property Repair Costs: Quinquennial surveys are commissioned, and the results incorporated into a rolling programme of maintenance within the budget forecast. Unforeseen works are therefore restricted to extraordinary events (such as flooding as a result of a leak) and usually covered by insurance. Routine maintenance is seen as a core activity.

The chief executive is responsible for the day-to-day management of health and safety matters and directors are also aware of their statutory duties under legislation through regular sub-committees. Risk assessments are carried out annually by the property manager/chief executive and regularly updated throughout the year in a working file. Fire risk assessments are carried out annually by the property manager/chief executive and every three years professionally.

A comprehensive list of policies and procedures is reviewed on a one - three-year rolling programme or as a result of changing legislation or best practice guideline, whichever is the soonest. Regular staff meetings ensure that new procedures are implemented.

Meetings with residents are held annually where matters of health and safety are discussed and reinforced, including the procedure in the event of a fire. A fire drill is held annually.

Residents are encouraged to ask questions and provide feedback verbally, or in writing or through our suggestion boxes on site. Once a year, the chief executive meets with all residents to discuss the next year's draft annual plan, as well as the results from the residents' satisfaction survey. Staff meetings for office employees, including line managers happen as frequently as possible.

Directors and staff remain vigilant on matters of risk and continue to seek advice and updates from legal bodies, the Charity Commission, the Social Housing Regulator and the Almshouse Association.

Impacts of COVID-19

2020 was the year, none of us could have expected with a global pandemic bringing a profound change to how we would all live and work and interact as a community. This resulted in residents not being able to see their families, our resident events and activities put on hold. Many of our residents would be considered to be high risk to COVID-19 because of their age, underlying health conditions and because of the drastic changes to their external support networks in the community that had to close or remain restricted.

Operationally, this meant that it was necessary to implement a number of significant changes which included some staff working remotely from home, residents being contacted by their wardens by phone only and staff and director meetings being by virtual Zoom videos. The Trust risk register was updated to consider all areas of potential risk from the pandemic, both operationally and strategically.

The Trust responded proactively to the COVID-19 pandemic, with our robust risk assessments already embedded in the Trust and put in place all additional measures on top of what we normally provide to keep residents and staff safe and well. Staff were supported with additional computer equipment to work remotely and appropriate PPE. All safety checks continued in relation to fire and legionella. Urgent repairs continued with strict safety measure. The impact for the Trust was loss of some income during lockdown we could not get contractors in to carry out work to flats that became vacant and additional costs for PPE, sanitiser units, equipment. The staff team at the Trust worked tirelessly to adapt to each unprecedented change due to the pandemic and to ensuring residents safety and well-being remained, as always, our priority and focus.

Commercial tenants were supported with flexible payment plans to help them when their retail businesses had to close due to Government restrictions and these payments have now been brought up to date. Our investment portfolio saw some losses due to the volatility of the market due to the pandemic.

**REPORT OF THE CORPORATE TRUSTEE
YEAR ENDED 31 DECEMBER 2020**

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

The corporate trustee of the charity which held office at the date of approval of these Financial Statements as set out above, confirms, so far as it is aware, that:

- there is no relevant audit information of which the charity's auditors are unaware; and
- it has taken all the steps that it ought to have taken as corporate trustee in order to make itself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved at a meeting of the corporate trustee held on 11 May 2021

Signed on its behalf by:

Mr J Pulford – Director (Chairman)

Mr R Cumes – Director (Vice-chair)

Mrs D Woodward (Chief Executive)

**TIVERTON ALMSHOUSE TRUST
STATEMENT ON INTERNAL CONTROL SYSTEMS
YEAR ENDED 31 DECEMBER 2020**

The corporate trustee is responsible for maintaining a sound system of internal control which:

- focuses on the significant risks that threaten the organisation's ability to meet its objectives; and
- provides reasonable assurance of the safeguarding of assets.

The corporate trustee is also responsible for reviewing the effectiveness of the system of internal control.

The internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the charity is ongoing. This process has been in place for the year ended 31 December 2020 and up to the date of approval of the corporate trustee's report and financial statements and is regularly reviewed by the corporate trustee.

Experienced and suitably qualified management staff take responsibility for important business functions. Appraisal procedures have been established to maintain the standards of performance.

All significant new initiatives, major investments and investment projects are subject to formal authorisation procedures, through the Property and Finance Sub Committee and/or the board.

The Property and Finance Sub Committee reviews reports from senior staff on behalf of the Board and from the external Accountants and separate Auditors to provide assurance that control procedures are in place and are being followed. The Property and Finance Sub Committee informs the Board in this regard on a regular basis.

Procedures have been established for instituting appropriate action to correct weaknesses identified from the above report.

TIVERTON ALMSHOUSE TRUST CORPORATE TRUSTEES'
RESPONSIBILITIES STATEMENT
YEAR ENDED 31 DECEMBER 2020

The Charities Act 2011 and registered social housing legislation require the corporate trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its income and expenditure for that period.

In preparing these financial statements, the corporate trustee is required to:

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

The corporate trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. The corporate trustee has general responsibility for taking reasonable steps to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST

Opinion

We have audited the financial statements of Tiverton Almshouse Trust for the year ended 31 December 2020 which comprise the Statement of comprehensive income (including income and expenditure account), Statement of financial position, Statement of changes in equity and reserves, Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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, including its income and expenditure, for the year then ended;
- and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

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 director'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 year of at least twelve months from when the original financial statements were authorised for issue.

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

Other information

The corporate trustee is responsible for the other information. The other information comprises the information included in the report of the corporate trustee, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST (CONTINUED)**

Opinion on other matter prescribed by the Charities Act 2011

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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 requires us to report to you if, in our opinion:

- the information given in the corporate trustee's report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of corporate trustee

As explained more fully in the Corporate Trustee's Responsibilities Statement (set out on page 16), the corporate trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporate trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the corporate 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 corporate trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Based on our understanding of the Trust and nature of the business, we identified the principal risks of non-compliance with laws and regulations as being those which have a direct impact on the preparation of the financial statements, such as The Charities Act 2006, and relevant tax legislation (VAT etc.), as well as legislation governing responsibilities as a social housing landlord. We considered the extent to which non-compliance with these laws and regulations may have a material effect on the financial statements.

**INDEPENDENT AUDITOR'S REPORT
TO THE CORPORATE TRUSTEE OF TIVERTON ALMSHOUSE TRUST (CONTINUED)**

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Based on this understanding we designed our audit procedures to identify irregularities. Our procedures involved the following:

- Enquiries of those charged with governance, regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements;
- Review of minutes of meetings of those charged with governance;
- Evaluation of the effectiveness of management's controls designed to prevent and detect irregularities including those applicable to social housing landlords;
- Challenging assumptions and judgements made by management in its significant accounting estimates;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Charity's corporate trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Charity's corporate trustee those matters we are required to state to the corporate trustee 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's corporate trustee as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Francis Clark, Statutory Auditor

Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE
Date: 14 May 2021

PKF Francis Clark is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

TIVERTON ALMSHOUSE TRUST
STATEMENT OF COMPREHENSIVE INCOME (INCLUDING
INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED
31 DECEMBER 2020

	Note	2020 £	As restated 2019 £
Turnover	2	769,178	756,788
Less: Operating costs	4	<u>786,986</u>	<u>801,889</u>
Operating deficit	5	(17,808)	(45,101)
Income from fixed asset investments		30,491	68,239
Interest receivable and similar income	9	14,263	144,169
Interest payable and similar charges	10	(12,396)	(14,506)
Unrealised/realised gains and losses on investments	12	102,087	316,219
Revaluation of investment properties		<u>80,000</u>	<u>-</u>
Surplus on ordinary activities for the year before tax		<u>196,637</u>	<u>469,020</u>
Tax on surplus on ordinary activities		<u>-</u>	<u>-</u>
Surplus / (deficit) for the year after tax		196,637	469,020
Revaluation of tangible fixed assets		-	55,000
Total comprehensive income for the year		<u><u>196,637</u></u>	<u><u>524,020</u></u>

Signed on behalf of the corporate trustee on 11 May 2021

Mr J Pulford – Director (Chairman)

Mr R Cumes – Director (Vice-chair)

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF FINANCIAL POSITION YEAR ENDED
31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Tangible fixed assets	11		4,040,000		4,040,000
Investment properties	11		2,863,414		2,877,500
Other fixed assets	11		427,240		76,503
Investments	12		3,359,604		3,250,522
			<u>10,690,258</u>		<u>10,244,525</u>
Current assets					
Debtors	13	49,235		31,024	
Cash at bank and in hand		<u>969,601</u>		<u>1,275,981</u>	
		1,018,836		1,307,005	
Creditors: amounts falling due within one year	14	<u>110,196</u>		<u>116,242</u>	
Net current assets			908,640		1,190,763
Total assets less current liabilities			11,598,898		11,435,288
Creditors: amounts falling due after more than one year	15		580,009		613,035
			<u>11,018,889</u>		<u>10,822,253</u>
Capital and reserves					
Permanent endowment	18		8,610,142		8,529,000
Expendable endowment	18		903,138		865,209
Income and Expenditure reserves	17		1,505,609		1,428,044
			<u>11,018,889</u>		<u>10,822,253</u>

These financial statements were approved and authorised for issue by the corporate trustee on

11 May 2021

and signed on its behalf by:

Mr J Pulford - Director

Mr R Cumes - Director

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF CHANGES IN EQUITY AND RESERVES
YEAR ENDED 31 DECEMBER 2020

	Permanent Endowment £	Expendable Endowment £	Other Reserves £	Total £	2019 £
At 31 December 2019	8,529,000	865,209	1,428,044	10,822,253	10,298,333
Surplus for year before gains and losses from investments	-	-	14,550	14,550	152,801
Unrealised/realised gains and losses on investments	1,142	37,929	63,015	102,086	316,219
Revaluation of tangible fixed assets	80,000	-	-	80,000	55,000
Total comprehensive income	81,142	37,929	63,015	196,636	524,020
Transfers	-	-	-	-	-
At 31 December 2020	8,610,142	903,138	1,505,609	11,018,889	10,822,253

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
STATEMENT OF CASHFLOWS
YEAR ENDED 31 DECEMBER 2020

	2020	2019
	Note £	£
Net cash flow from operating activities	24 (295,841)	(359,772)
Cash flow from investing activities		
Rents received from investment properties	257,271	254,903
Payments to acquire tangible fixed assets	(259,258)	(2,254)
Receipts from sales of tangible fixed assets	-	-
Payments to acquire investments	-	-
Proceeds from sale of investments	8,517	929,612
Purchase of investments	(278,748)	(665,694)
Interest received	11,573	26,039
Dividends received	30,491	68,239
Net cash flow from investing activities	(230,154)	610,845
Cash flow from financing activities		
Repayment of long term loans	(43,620)	(44,434)
Net cash flow from financing activities	(43,620)	(44,434)
 Net increase / (decrease) in cash and cash equivalents	 (569,615)	 206,639
 Cash and cash equivalents as at 1 January 2020	 1,561,112	 1,354,473
 Cash and cash equivalents as at 31 December 2020	 <u>991,497</u>	 <u>1,561,112</u>
 Cash and cash equivalents consist of:		
Cash at bank and in hand	969,601	1,275,981
Cash held as part of investment portfolio	21,896	285,131
	<u>991,497</u>	<u>1,561,112</u>

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General information and basis of preparation

Tiverton Almshouse Trust is incorporated under the Charities Act 2011 and is a Registered Provider of Social Housing in the United Kingdom.

Tiverton Almshouse Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2019, and the Charities Act 2011.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements are prepared in sterling, which is the functional currency of Tiverton Almshouse Trust and rounded to the nearest £.

The registered office is disclosed in the Report of the Corporate Trustee.

Housing properties

Housing properties are principally properties available to beneficiaries of the trust in return for weekly maintenance contributions.

Housing properties are included at deemed cost and are reviewed for impairment at the end of each reporting period.

Investment Properties

Investment properties are principally properties available to tenants of the trust in return for a commercial rent.

Investment properties are included at valuation, representing fair value and at each reporting date any changes in fair value are recognised in the statement of comprehensive income. Professional valuations are undertaken on a 5-year rolling cycle.

Investment properties are reviewed for impairment at the end of each reporting period.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2020

Fixed assets and Depreciation

Other fixed assets are stated at cost, less accumulated depreciation. Depreciation is charged on a straight-line basis at rates anticipated to write off the cost of the asset, at the following annual rates:

Housing properties	Nil
Freehold property	Nil
Computer equipment	33.33%

There is no depreciation charged this year against housing properties or freehold property as the corporate trustee believes the residual values are not lower than the current carrying value in the balance sheet. This opinion is based on the valuation of The Market House offices in 2018 and the valuation work down on the housing properties in 2019. It is the corporate trustee's opinion that the local housing market remained static over the 2020 year, and they will be reviewing this throughout the 2021 financial year.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently they are measured at fair value through the statement of comprehensive income.

Debtors and creditors receivable/payable within one year

Debtors and creditors payable within one year are recorded at transaction price.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs and then subsequently adjusted for principal repayments and interest charged.

Revaluation surpluses and deficits

Where market value is not readily available, the Corporate trustee estimates market value. Revaluations of investments are reported in the Statement of Comprehensive Income.

Leased Assets

Rentals payable under operating leases are charged to the income and expenditure account on a straight-line basis over the period of the lease.

Government grants

A social housing grant was received back in 2004 as a contribution towards the capital cost. The grant was previously deducted from the cost of the housing properties. However, as the housing properties are accounted for using the valuation model, grants should now be accounted for using the performance model which means that grants are recognised as income once the performance conditions have been met. This change has not altered the overall value of reserves.

Current Taxation

No taxation is payable by the charity, since it has charitable status and its activities are exempt from tax.

Value Added Tax

Irrecoverable VAT which can be attributed to capital items or revenue expenditure is added to the cost of the capital item or expenses where practicable and material.

Pension Costs

The charity operates a defined contribution scheme for the benefit of its employees. The costs of contributions are written off through the income and expenditure account in the year they are payable.

Dilapidations

Monies receivable in respect of dilapidations are generally not accounted for until they can be determined with reasonable accuracy.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2020

Turnover

Turnover is measured at the fair value of the consideration received or receivable.

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from almshouse voids.

Interest and dividends receivable

Interest and dividend income is recognised as Tiverton Almshouse Trust's right to receive payment is established.

Key judgements and estimates

The following judgements and estimates have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

The corporate trustee has established a five-year cycle for investment properties to be valued by an external RICS qualified surveyor. In the intervening years the remaining properties are valued by the corporate trustee having regard to all risks, the yield, the strength of the market and comparison with similar properties.

Reclassification of comparative Statement of Comprehensive Income

Comparatives in respect of investment property income and expenditure, as well as gains on investments have been restated to ensure they are correctly disclosed in the financial statements in line with FRS 102.

2 TURNOVER

	2020	2019
	£	£
Rents receivable excluding service charges	420,589	408,916
Service charges receivable	99,632	100,016
Rent and service charge losses from voids	(8,554)	(9,662)
Guest room income	240	2,615
Social Housing Turnover	511,907	501,885
Investment property income	257,271	254,903
	<u>769,178</u>	<u>756,788</u>

3 UNITS IN MANAGEMENT

	2020	2019
Social housing for older people	83	82
Warden accommodation	3	4
	<u>86</u>	<u>86</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2020

4 OPERATING COSTS

	Support Costs £	Social Housing £	Investment Properties £	Total 2020 £	Total 2019 £
Estate management costs:					
Wages and salaries	-	39,882	59,823	99,705	56,033
Estate costs					
Repairs and maintenance	-	228,879	30,964	259,843	260,846
Professional fees	-	24,769	31,613	56,382	10,497
Utilities	-	95,235	18,189	113,424	167,480
Insurance	-	20,160	5,012	25,172	12,857
Sundry expenses	360	3,546	1,971	5,877	5,168
Waste	355	6,182	650	7,187	
Cleaning	673	5,163	2,078	7,914	
Bad debt	-	-	-	-	1,251
Administrative costs					
Wages and salaries	154,879	-	-	154,879	164,029
Staff recruitment costs	-	-	-	-	15,575
Office running costs	23,030	-	-	23,030	31,559
Accountancy and audit fees	17,541	-	-	17,541	14,615
Professional fees	-	-	-	-	36,686
PI insurance	578	-	-	578	578
Subscriptions	2,295	-	-	2,295	2,340
Bank charges	1,060	-	-	1,060	862
Donations	-	-	-	-	10,000
Depreciation	2,607	-	-	2,607	2,700
Investment mgm't fees	9,492	-	-	9,492	8,813
	<u>212,870</u>	<u>423,816</u>	<u>150,300</u>	<u>786,986</u>	<u>801,889</u>
Apportionment	<u>(212,870)</u>	<u>113,414</u>	<u>99,456</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>537,230</u>	<u>249,756</u>	<u>786,986</u>	<u>801,889</u>

5 OPERATING DEFICIT

	2020 £	2019 £
Operating deficit is stated after charging:		
Operating leases - other assets	<u>1,524</u>	<u>847</u>

6 AUDITORS' REMUNERATION

	2020 £	2019 £
Audit services	3,570	6,000
Non audit services (includes fees from the previous auditor)	<u>13,971</u>	<u>8,615</u>
	<u>14,615</u>	<u>12,177</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2020

7 BOARD OF DIRECTORS OF THE CORPORATE TRUSTEE AND KEY MANAGEMENT PERSONNEL REMUNERATION

	2020	2019
	£	£
The aggregate emoluments payable to key management personnel	70,590	68,600

The chief executive is not a member of the charity's defined contribution pension scheme. However, the charity makes contributions to their personal pension plan. During the period the total amount contributed to the personal pension was £4,873 (2019 £1,841).

The Board of Directors of the corporate trustee received no expenses or remuneration in the year.

8 EMPLOYEE INFORMATION

	2020	2019
The average number of persons employed during the year expressed in full time equivalents (16 hours or more per week) was:		
Office staff	5	5
Wardens, cleaners and handyman	4	4
	<u>9</u>	<u>9</u>
	£	£
Staff costs (for the above persons)		
Wages and salaries	219,068	195,602
Employer's National Insurance Contributions	20,256	13,859
Other pension costs	15,259	10,601
	<u>254,583</u>	<u>220,062</u>

During the year one employee earned more than £60,000 (2019: one employee).

9 INTEREST RECEIVABLE AND SIMILAR INCOME

	2020	2019
	£	£
Interest received	11,573	26,039
Realised gain/(loss) on the disposal of investments	-	118,109
Miscellaneous income	2,690	21
	<u>14,263</u>	<u>144,169</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2020

10 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £	2019 £
Mortgage interest	12,396	14,506
Realised loss on the disposal of investments	-	-
	<u>12,396</u>	<u>14,506</u>

11 TANGIBLE FIXED ASSETS

	Housing Properties £	Investment Properties £	Freehold Property £	Computer Equipment £	Total £
COST OR VALUATION					
At 1 January 2020	4,040,000	2,877,500	75,000	8,893	7,001,393
Additions	-	255,914	-	3,344	259,258
Transfer	-	(350,000)	350,000	-	-
Revaluations	-	80,000	-	-	80,000
	<u>4,040,000</u>	<u>2,863,414</u>	<u>425,000</u>	<u>12,237</u>	<u>7,340,651</u>
At 31 December 2020	<u>4,040,000</u>	<u>2,863,414</u>	<u>425,000</u>	<u>12,237</u>	<u>7,340,651</u>
DEPRECIATION					
At 1 January 2020	-	-	-	7,390	7,390
Charge for year	-	-	-	2,607	2,607
	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,997</u>	<u>9,997</u>
At 31 December 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,997</u>	<u>9,997</u>
NET BOOK VALUE					
At 31 December 2020	<u>4,040,000</u>	<u>2,863,414</u>	<u>425,000</u>	<u>2,240</u>	<u>7,330,654</u>
At 31 December 2019	<u>4,040,000</u>	<u>2,877,500</u>	<u>75,000</u>	<u>1,503</u>	<u>6,994,003</u>

HOUSING PROPERTIES

Housing properties comprise freehold land and buildings.

Historically, housing properties have been accounted for under the revaluation model and have been formally valued on a five-year cycle, with the corporate trustee providing a valuation for four of the five years. Due to the specialist nature of almshouse valuations, the lack of readily available market information to which the corporate trustee has access, as well as the cost burden on the Trust of moving to an annual valuation cycle, the corporate trustee has decided it would be more appropriate to account for freehold property under the cost model, in line with section 17 (property plant and equipment) of FRS 102

Housing properties are now included at deemed cost of £4,040,000 (historic cost: £4,288,895).

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2020

INVESTMENT PROPERTIES

The corporate trustee has established a five-year cycle for investment properties to be valued by an external RICS qualified surveyor.

The freehold interests in 2 - 16 Bampton Street, Tiverton were valued as at 31 December 2020 by an external valuer, Michael Lloyd, BSc (Hons) MRICS of Stratton Creber, Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards, SORP and FRS102.

The Trust occupies office accommodation within The Market House for the purpose of its operations, the value the external valuer provided for these offices (£350,000) have been transferred to Freehold Property. This was carried out in 2018, but the transfer was not reflected in the 2018 financial statements. Consequently, it has been corrected for in these financial statements. The basis of value was Fair Value.

The remaining investment properties held were valued by the corporate trustee on the basis of fair value as at 31 December 2020.

Valuation is represented by:	2020	2019
	£	£
Historical cost	296,927	296,927
Revaluation	<u>2,566,487</u>	<u>2,580,573</u>
	<u>2,863,414</u>	<u>2,877,500</u>
Revaluation:	2020	2019
	£	£
Balance as at 31 December 2019	2,580,573	2,580,573
Net of additions and transfers	(94,086)	-
Revaluation	<u>80,000</u>	<u>-</u>
Balance as at 31 December 2020	<u>2,566,487</u>	<u>2,580,573</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2020

12 INVESTMENTS HELD AS FIXED ASSETS

(Financial assets measured at fair value through the surplus/ (deficit))

	2020 £	2019 £
MARKET VALUE OF LISTED INVESTMENTS		
At 31 December 2019	3,250,522	2,761,259
Additions	262,261	665,694
Income reinvested	16,487	63,739
Disposal proceeds	(8,517)	(929,612)
Realised gains/(losses)	(4,327)	118,109
Unrealised gains/(losses)	106,414	316,219
At 31 December 2020	3,622,840	2,995,408
Cash held as part of investment portfolio (movement)	(263,236)	255,114
	<u>3,359,604</u>	<u>3,250,522</u>
Historical cost	<u>2,593,996</u>	<u>2,587,000</u>

13 DEBTORS – ALL RECEIVABLE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors		
Social housing rent arrears	4,346	956
Social housing utility arrears	114	-
Other	8,123	3,125
	<u>12,583</u>	<u>4,081</u>
Prepayments and accrued income	32,482	22,154
Other debtors	4,169	4,789
	<u>49,234</u>	<u>31,024</u>

14 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Mortgages	31,802	30,000
Trade creditors and rents paid in advance	43,437	30,071
Other creditors and accruals	34,956	56,171
	<u>110,195</u>	<u>116,242</u>

15 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Mortgages	<u>580,009</u>	<u>613,035</u>

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2020

16 MORTGAGES

(Financial liabilities measured at fair value through the surplus/ (deficit)).

Analysis of maturity of debt:	2020 £	2019 £
Less than one year or on demand	31,802	30,000
Between one and two years	32,394	30,000
Between two and five years	100,871	120,000
After five years	446,744	463,035
	<u>611,811</u>	<u>643,035</u>

The mortgages mature in July 2037.

Capital is repayable in monthly instalments, which commenced in August 2004. Interest is charged at 2.95% and LIBOR +0.65%.

The mortgages are secured on certain freehold housing and investment properties.

17 INCOME AND EXPENDITURE RESERVES

	2019 £	Surplus for year £	Revaluation £	Transferred £	Utilised £	2020 £
Programme of works fund	20,814	-	-	122,430	(122,430)	20,814
Extraordinary repair fund	36,582	-	-	5,040	(510)	41,112
Cyclical maintenance fund	96,547	-	-	1,638	(38,075)	60,110
Routine works	5,208	-	-	62,326	(22,098)	45,436
Other	1,268,893	14,550	63,015	(191,434)	183,113	1,338,137
	<u>1,428,044</u>	<u>14,550</u>	<u>63,015</u>	<u>-</u>	<u>-</u>	<u>1,505,609</u>

Tiverton Almshouse Trust has established a regular programme of works.

Part of other reserves has been earmarked by the corporate trustee for a particular purpose. Such designations may be reversed by future Trustee decisions.

Expenditure is taken through the income and expenditure account. A transfer is then made as appropriate.

18 CAPITAL AND RESERVES

Permanent Endowment

These reserves represent the current value of the Housing and Investment Properties together with the current value of any other investments that were held at the date of the merger and cash deposited with Standard Life on behalf of Alexandra Lodge Trust as at the date of the merger.

Expendable Endowment

These reserves represent the current value of any investments purchased since the merger.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2020

19 CAPITAL COMMITMENTS

	2020 £	2019 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	-	232,245
	<u>-</u>	<u>232,245</u>

20 LEASING COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2020 £	2019 £
Not later than one year	1,417	4,986
Later than one and not later than five years	-	5,313
Later than five years	<u>1,417</u>	<u>10,299</u>

21 PENSION COSTS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £10,386 (2019: £10,601).

22 RELATED PARTY TRANSACTIONS

As at the 31 December 2020 two directors of Tiverton Almshouse Trustee Limited were councillors / employees of related Local Authorities.

The husband of one of the directors of Tiverton Almshouse Trustee Limited is a councillor/employee of related Local Authorities and a tenant of Raymond Penny House.

Any transactions with the Local Authorities were at arms-length on normal commercial terms and these individuals were not able to use their position to their commercial advantage.

23 CONTROL

The ultimate controlling party is the board of directors of Tiverton Almshouse Trustee Limited.

TIVERTON ALMSHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED
31 DECEMBER 2020

24 RECONCILIATION OF OPERATING SURPLUS / (DEFICIT) TO CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Surplus / (deficit) for the year	196,637	524,020
Rents received from investment properties	(257,271)	(254,903)
Mortgage interest paid	12,396	14,506
Interest received	(11,573)	(26,039)
Dividends received	(30,491)	(68,239)
Depreciation and impairment of tangible fixed assets	2,607	2,700
Realised (gain) / loss on disposal of investments	4,327	(118,109)
Unrealised (gains) / loss on investments	(106,414)	(316,219)
Income reinvested	-	(63,739)
Proceeds of sale of tangible fixed assets	-	-
Carrying amount of tangible fixed asset disposals	-	-
Revaluation on tangible fixed assets	(80,000)	(55,000)
(Increase) / decrease in trade and other debtors	(18,211)	(4,233)
Increase / (decrease) in trade and other creditors	(7,848)	5,483
Net cash flow from operating activities	<u>(295,841)</u>	<u>(359,772)</u>

25 ANALYSIS OF CHANGES IN NET DEBT

	2019 £	Cashflows £	Non-cash changes £	2020 £
Long-term borrowings	613,035	-	(33,026)	580,009
Short-term borrowings	116,242	(39,072)	33,026	110,196
Total liabilities	729,277	(39,072)	-	690,205
Cash and cash equivalents	(1,561,112)	569,614	-	(991,498)
Total	<u>(831,835)</u>	<u>530,542</u>	<u>-</u>	<u>(301,293)</u>

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Our Ref: **10103EX/NXH/SJT**

14 May 2021

Dear Trustees

In accordance with our normal practice we are writing to draw your attention to various matters which arose during the course of our audit of the company's accounts for the year ended 31 December 2020.

1. Expected Modifications to the Auditors' Report

There are no expected modifications to the auditors' report.

2. Identified Misstatements

There were no unadjusted misstatements determined during the course of our audit.

Presentational adjustments were discussed with Doreen Woodward (see section 4 below).

3. Significant Deficiencies in the Accounting and Internal Control Systems

As you are aware from our letter of engagement, our audit procedures were directed towards testing the accounting systems in operation upon which we have based our assessment of the accounts. In assessing whether a deficiency is significant we consider the likelihood of an error arising in the accounting system and its potential magnitude.

We did not identify any significant deficiencies in internal financial controls during the course of our audit.

4. Qualitative Aspects of the Entity's Accounting Practices and Financial Reporting

The following qualitative aspects of the entity's accounting practices and financial reporting were discussed and agreed at our closing meeting on 01/04/21:

Presentation of commercial properties

During the course of our audit we identified that rental income from non-social housing properties was being shown net of expenditure in the financial statements. The netting off of commercial income and expenditure is not permitted under applicable accounting standards and following discussion with the

Trustees has been reclassified in the current and comparative year to separately identify income and expenditure from non-social housing.

Fixed Assets – Significant Components

Historically major components of social housing properties have not been separately identified and depreciated over their individual useful lives. This was discussed with the Trustees and it was agreed that it would not be practicable to perform a retrospective review for significant components but that future fixed asset additions would be reviewed to ensure significant components are separately identified.

Depreciation of Freehold Property and Housing Property held at cost

Freehold property and social housing property is not depreciated on the basis that the residual value is not materially different from the carrying value (and therefore depreciation would be immaterial). The Trustees have agreed to review this annually to ensure that residual values are not significantly different to the carrying value which might give rise to the need to apply a depreciation charge.

Property Valuations

We discussed the valuation models available for non-investment properties. Given the ongoing cost of professional valuations, the Trustees have concluded that social housing properties are to be held under the cost model. The existing carrying value has been treated as deemed cost on transition to this methodology.

5. Other Matters Required by Auditing Standards to be Communicated

There are no other matters that we are required by Auditing Standards to communicate to you.

6. Audit Independence

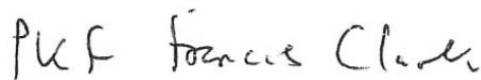
We have discussed with you the fact that we provide services to the company in addition to acting as auditors. We confirm that we have not provided any non-audit services during the year.

The contents of this report are subject to the terms and conditions of our appointment as set out in our engagement letter of 7 April 2021.

This report is made solely to the Corporate Trustee of Tiverton Almshouse Trust as a board in accordance with our engagement letter. Our work has been undertaken so that we might state to the Corporate Trustee of Tiverton Almshouse Trust those matters we are required to state to them in accordance with International Standards on Auditing (UK and Ireland) in this 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 Board of Tiverton Almshouse Trust for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.

If we can be of any further assistance, please contact Neil Hitchings.

Yours faithfully



FRANCIS CLARK LLP

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