

THE LYGON ALMSHOUSES

**THE LYGON ALMSHOUSES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

Registered Charity Number: 208562
Registered Provider Number: A0846

THE LYGON ALMSHOUSES

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**THE LYGON ALMSHOUSES
LEGAL AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2023**

Chairman	The Rev. Ross Gunderson
Vice-chairman	Mrs Val Barker
Hon Treasurer	Mr Charles Noel – reappointed 12 April 2023
Other Trustees	<p>The Bishop of London Cllr. Adronie Alford Ms Ev Hesketh – until 20 May 22 Mrs V Lawrence-Gray – until 20 May 2022 Mr Esmond Jackson JP – resigned 1 March 2023 Mrs Clare Khalil Cllr. Amanda Lloyd-Harris Mrs Cat McNair - resigned 23 August 2022 Mr David Morris – reappointed 20 May 2022 Ms Caroline Needham – until 29 May 2022 Cllr. Ann Rosenberg – reappointed 20 May 2022 The Rev. Penny Seabrook Cllr Genevieve Nwaogbe – appointed 20 May 2022 Cllr Trey Campbell-Simon – appointed 20 May 2022 – resigned 26 June 2023 Cllr Liz Collins – appointed 20 May 2022 Cllr Ashok Patel – appointed 20 May 2022</p>
Clerk to the Trustees	Mrs Deborah Prescott – until 10 March 2023
Assistant Clerk to the Trustees	Mrs Katie Arengo-Jones
Registered Office	313 Fulham Palace Road London SW6 6TH
Bankers	National Westminster Bank Plc 45 Fulham Broadway London SW6 1AG
Solicitors	Lee Bolton Monler Williams 1 The Sanctuary London SW1P 3JT
Accountants	Beever and Struthers Statutory Auditors Chartered Accountants Suite 9b The Beehive Lions Drive Shadworth Business Park Blackburn BB1 2QS
Statutory registrations	Registered Charity Number: 208562 Registered Provider Number: A0646
Governing Document	Scheme dated 15 March 1977

**THE LYGON ALMSHOUSES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

The Trustees present their annual report and audited accounts for the year ended 31 March 2023.

1. Principal activity

The principal activity of the charity continues to be the provision of sheltered housing for the people of Fulham in a 40 flat almshouse at 313 - 321 Fulham Palace Road.

2. Governance

The Lygon Almshouses are governed by the scheme dated 15th March 1977. Of the sixteen Trustees, three are ex-officio, six are nominated by the local authority and seven are co-opted by the board of Trustees and appointed at a special meeting at which all Trustees have the opportunity to vote. As laid down in our scheme, co-opted Trustees "should be persons who through residence, occupation or employment or otherwise have special knowledge of the area of the former metropolitan borough of Fulham." They are co-opted for the special skills they can offer to the charity.

All Trustees are invited to visit the Almshouses. They are sent a copy of the scheme, a copy of the Almshouse Association's guide to managing an almshouse charity and copies of minutes, accounts and policies adopted by the Trustees over the course of time. Trustees can also attend the Almshouse Association's training days for clerks and Trustees if they wish.

Esmond Jackson retired on 1 March 2023 after 32 years of service to Lygon Almshouses.

3. Achievements and performance

The Almshouse had three vacancies at the end of the year. The cost of voids was £12,238 for the financial year (2022: £10,535). The increase was due to longer time taken to investigate applications. The window replacement programme was completed, with timber frame windows being replaced by aluminium framed double-glazed units throughout 39 flats. A programme of kitchen upgrades was begun and 4 kitchens have been renewed to date. A garden party was held for residents in July and a tea party in December.

4. Financial review

Charitable activities showed a deficit of £676 (2022: £3,044 deficit). Increases in weekly maintenance contributions and other income were largely matched by increased expenditure on repairs. There was a loss on investments of £50,218 (2022: £98,035 gain), giving a total deficit for the year of £50,894 (2022: £94,991 surplus).

5. Plans for future periods

The CCTV system needs to be replaced and kitchen upgrades will continue, where necessary, as flats become vacant.

6. Public benefit

All charities are required to include in the annual report of the Trustees a report of activities undertaken by the charity to further its charitable purposes for the public benefit. This requirement is met by the principal activity statement above. During the year ended 31 March 2023 weekly maintenance charge for residents averaged £107.79 (2022: £100.60). Trustees confirm they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission.

THE LYGON ALMSHOUSES
REPORT OF THE TRUSTEES (*continued*)
FOR THE YEAR ENDED 31 MARCH 2023

7. Events after the year-end

There have been no events after the year-end which will impact the accounts.

8. Reserves and investments

The Almshouses hold reserves to meet future liabilities and to generate income to support the charitable activities. These are backed by investments and are held for the long term. Their performance is regularly reviewed by the Trustees. The Trustees are satisfied that sufficient provision has been made in the Extraordinary Repair Fund (ERF) and Cyclical Maintenance Fund (CMF) for future needs. The total of the reserves held is £2,742,365 (2022: £2,793,259).

9. Statement of Trustees' responsibilities

The trustees are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities requires the Trustees to prepare financial statements for each financial year for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these accounts the Trustees are required to:-

1. Select suitable accounting policies and then apply them consistently
2. Observe the methods and principles of the Charities SORP 2019 (FRS 102)
3. Make judgements and estimates that are reasonable and prudent
4. State whether applicable accounting standards have been followed
5. Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping proper accounting records that 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 Charities (Accounts and Reports) Regulations 2008, and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

10. Value for money

The Trustees are mindful of the need to obtain value for money in all transactions entered into on behalf of the charity. In respect of the major works to be undertaken a competitive tender involving three potential contractors is carried out.

The regulator has issued value for money metrics to ensure performance to be measured consistently for each Registered Provider. We have adopted these which are reported below:

THE LYGON ALMSHOUSES
REPORT OF THE TRUSTEES (continued)
FOR THE YEAR ENDED 31 MARCH 2023

Indicator	2023	2022	Commentary
Reinvestment in development and capital works	10.66%	5.19%	Window replacement programme completed; kitchen refurbishment programme begun – 4 kitchens completed.
New supply delivered (Social housing units)	-	-	No additional units
New supply delivered (Non-social housing units)	-	-	
Gearing	-	-	No loans are held
Interest cover including capitalised repairs (EBITDA-MRI)	-	-	
Social housing cost per unit	£10,056	£7,727	Increased capital works
Operating margin (Social housing lettings)	-18.29%	-19.43%	Increases in charitable income exceeded increases in revenue expenditure
Operating margin (overall)	-18.29%	-19.43%	
Return on capital employed	-1.61%	-1.55%	Reduction in investment values

Disclosure of information to the reporting accountants

We, who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the auditors are unaware; and
- we have taken all the steps that we ought to have taken as members of the Board in order to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Signed by order of the Trustees:


The Rev Ross Gunderson (Chairman)

18 SEPTEMBER
2023


Charles Noel (Hon Treasurer)

18 SEPTEMBER
2023

THE LYGON ALMSHOUSES
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE LYGON ALMSHOUSES
YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of The Lygon Almshouses "the charity" for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 March 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other Matter

The comparative period was not subject to audit because the charity took advantage of the exemption from an audit as specified in section 136(3) of the Housing and Regeneration Act 2008.

Other Information

The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, 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.

**THE LYGON ALMSHOUSES
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE LYGON ALMSHOUSES
YEAR ENDED 31 MARCH 2023**

Matters on which we are required to report by exception

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

- In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report; or
- proper 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.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 3, the trustees are 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

The extent to which the audit was considered capable of detecting irregularities including fraud

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the charity through discussions with Trustees, and from our knowledge and experience of the social housing sector.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011, Housing and Regeneration Act 2008, the Accounting Direction for private registered providers of social housing in England 2022, taxation legislation, data protection, employment, and health and safety legislation.

THE LYGON ALMSHOUSES
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE LYGON ALMSHOUSES
YEAR ENDED 31 MARCH 2023

The extent to which the audit was considered capable of detecting irregularities including fraud (continued)

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures on weekly maintenance income to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias.
- investigated the rationale behind significant or unusual transactions.

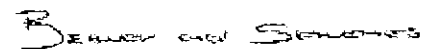
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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



Beever and Struthers, Statutory Auditor

Beever and Struthers is eligible to act as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

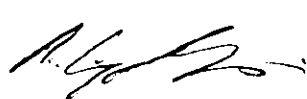
Suite 9b
The Beehive Lions Drive
Shadsworth Business Park
Blackburn
BB1 2QS
Date: 21 September 2023

**THE LYGON ALMSHOUSES
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023**

		2023			2022
	Note	Unrestricted Funds £	Restricted Funds £	Endowment Reserves £	Total £
Income and endowments from:					
Donations and Legacies	2	-	-	-	1,000
Charitable activities	3	242,012	-	-	222,354
Investments	4	43,589	-	-	39,153
Total income and endowments		285,601	-	-	262,507
Expenditure on:					
Charitable activities	5	276,304	450	-	261,055
Governance	6	9,523	-	-	4,496
Total expenditure		285,827	450	-	265,551
Income from charitable activities and investments less expenditure		(226)	(450)	-	(3,044)
Net (losses)/gains on investments	13a	(16,629)	-	(33,589)	98,035
Net (expenditure) / income		(16,855)	(450)	(33,589)	94,991
Transfers between funds		3,084	-	(3,084)	-
Net Movement in funds		(13,771)	(450)	(36,673)	94,991
Reconciliation of funds:					
Total funds brought forward	16	1,041,964	1,064,102	687,193	2,698,268
Total funds carried forward	16	1,028,193	1,063,652	650,520	2,793,259

All income and expenditure derive from continuing activities. The statement of financial activities includes all gains and losses recognised during the year.

The financial statements were approved and authorised for issue by the board of trustees on 18 September 2023 and signed on its behalf by:



The Rev. Ross Gunderson (Chairman):



Mr Charles Noel (Hon. Treasurer):

The notes on pages 11 to 22 form part of these financial statements.

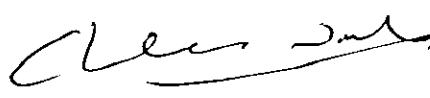
**THE LYGON ALMSHOUSES
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

		2023	2022
	Note	£	£
Fixed assets			
Housing properties	11	1,485,625	1,357,810
Other fixed assets	12	886	1,307
Investments	13	1,236,266	1,326,401
		<u>2,722,777</u>	<u>2,685,518</u>
Current assets			
Debtors	14	8,724	12,149
Cash at bank and in hand		64,111	112,204
		<u>72,835</u>	<u>124,353</u>
Creditors: amounts falling due within one year	15	(53,247)	(16,612)
Net current assets		<u>19,588</u>	<u>107,741</u>
Net assets		<u>2,742,365</u>	<u>2,793,259</u>
Capital and reserves			
Restricted reserves		1,063,652	1,064,102
Endowment reserves		650,520	687,193
Unrestricted reserves		1,028,193	1,041,964
Total charity funds	16	<u>2,742,365</u>	<u>2,793,259</u>

The financial statements were approved and authorised for issue by the board of trustees on 18 September 2023 and signed on behalf of the board of trustees by:



The Rev. Ross Gunderson (Chairman):



Mr Charles Noel (Hon. Treasurer):

The notes on pages 11 to 22 form part of these financial statements.

**THE LYGON ALMSHOUSES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	2022 £
Cash flow from operating activities	18	26,750	(30,834)
Net cash flow from operating activities		26,750	(30,834)
Cash flow from investing activities			
Purchase of tangible fixed assets		(158,349)	(71,632)
Payments to acquire investments		(20,083)	(17,878)
Proceeds from movement in investments		60,000	-
Interest received		210	17
Dividends received		43,379	39,136
Net cash flow from investing activities		(74,843)	(50,357)
Net decrease in cash and cash equivalents.		(48,093)	(81,191)
Cash and cash equivalents at 1 April		112,204	193,395
Cash and cash equivalents at 31 March		64,111	112,204
Cash and cash equivalents consists of:			
Cash at bank and in hand		64,111	112,204
Cash and cash equivalents at 31 March		64,111	112,204

The notes on pages 11 to 22 form part of these financial statements.

**THE LYGON ALMSHOUSES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

Legal Form

The Lygon Almshouses is a charity registered in England with the Charity Commission. Its registered office is 313 Fulham Palace Road, London, SW6 6TH.

1. PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention on an accruals basis. They have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2019) and applicable accounting standards and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on October 2019, the Charities Act 2011, the Housing and Regeneration Act 2008, the Accounting Direction for private registered providers of social housing in England 2022 and UK Generally Accepted Practice.

Incoming resources/income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Outgoing resources (expenditure)

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under the headings that aggregate all costs related to the category.

Costs of charitable activities include all costs relating to the maintenance of the housing properties as well as the support and welfare of the residents.

Governance costs include the cost of governance arrangements which relate to the general running of the charity.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs.

Funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**THE LYGON ALMSHOUSES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. PRINCIPAL ACCOUNTING POLICIES (*continued*)

Funds (*continued*)

Endowment funds represent those assets which must be held permanently by the charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Investment income and gains are allocated to the appropriate fund.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Fixtures, fittings and equipment	5 years
Freehold buildings	100 years
Property improvements	5 - 20 years
Roofing	30 years

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Debtors

Amounts receivable (or paid in advance) at the end of the period are included in the accounts under debtors. These include invoiced service and prepaid expenditure.

Liabilities

Amounts payable at the end of the period are included in the accounts under amounts payable within or after one year as appropriate. This includes amounts due to suppliers and accrued expenditure (due but not invoiced).

Improvements to properties

The charity capitalises expenditure on housing properties which adds to the value of the property or extends its useful life. Improvements to property that relate to assets that have a separately identifiable life to the property concerned are also capitalised but under a category separate from the property.

**THE LYGON ALMSHOUSES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. PRINCIPAL ACCOUNTING POLICIES (*continued*)

Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had an effect on amounts recognised in the financial statements:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Reserves

Extraordinary repairs

The Scheme requires the Trustees to set aside a sum of not less than £900 each year for the purpose of providing for extra-ordinary repairs, improvements, and rebuilding of the Almshouse belonging to the charity. The Trustees have designated appropriate reserves.

Designated reserves

The charity designates reserves that are not freely available for general use but which are part of its accumulated income:

- (i) A Arthur designation represents a legacy received in 1992/93 plus further legacies received in 2012/13, 2018/19 & 2021/22. The Trustees are not aware of any restrictions on the use of the legacies but have nevertheless determined they should be used for the benefit of the residents.
- (ii) Designations for cyclical maintenance and extraordinary repairs are explained in the respective accounting policies set out above.

Endowment fund

Endowment fund designation represents the original investment in the charity together with subsequent surpluses and deficits attributable to that investment.

Restricted Funds

Restricted funds represent the social housing grant plus a donation of £9,000 received in 2019 which was applied to the cost of improvements to the pathways and is depreciated as set out in note 16.

**THE LYGON ALMSHOUSES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. PRINCIPAL ACCOUNTING POLICIES (*continued*)

Financial instruments

Financial instruments such as loans, accounts payables, accounts receivables and cash are classified either as basic or complex. All financial instruments are initially measured at their fair values at the time the transactions occur. Subsequently all basic instruments are measured at amortised cost and all complex financial instruments are measured at a fair value through the comprehensive income.

Financial instruments held by the Charity are classified as follows:

- Cash is held at cost
- Fixed asset investments are held at fair value
- Other Financial assets such as receivables are classified as loans and receivables and held at amortised cost using the effective interest method,
- Financial liabilities are held at amortised cost using the effective interest method.

THE LYGON ALMSHOUSES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2 Income from Donations and Legacies

	2023 £	Unaudited 2022 £
Donations and Legacies	-	1,000
	<hr/> -	<hr/> 1,000

3 Income from charitable activities

	2023 £	Unaudited 2022 £
Maintenance contributions	212,516	198,720
Guest rooms	4,290	215
Sir William Powell management income	16,990	16,000
Laundry & other income	8,216	7,419
	<hr/> 242,012	<hr/> 222,354
Void losses (being rental income lost as a result of property not being let, although available for letting)	12,238	10,535

4 Income from investments

	2023 £	Unaudited 2022 £
Distributions received from the Endowment Fund	19,541	18,745
Distributions received from the Archie Arthur Fund	3,755	3,513
Distributions reinvested in the Extraordinary Repair Fund	20,083	16,878
Bank deposit interest	210	17
	<hr/> 43,589	<hr/> 39,153

THE LYGON ALMSHOUSES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

5 Analysis of resources expended

	Staff Costs	Other Direct Costs	Other Allocated Costs	Total 2023	Unaudited Total 2022
	£	£	£	£	£
<u>Charitable activities</u>					
Clerk and admin	35,689	-	-	35,689	35,886
Insurance	-	6,930	-	6,930	5,046
Legal & professional fees	-	9,288	-	9,288	14,236
Bank charges	-	478	-	478	399
Stationery & sundries	-	2,558	-	2,558	2,199
Catering & entertainment	-	1,904	-	1,904	2,196
Depreciation	-	30,955	-	30,955	20,258
Warden	18,496	-	-	18,496	17,966
Utilities & council tax	-	38,720	-	38,720	37,336
Cleaning and Gardening	19,492	6,867	-	26,359	23,645
Equipment Maintenance	-	22,802	-	22,802	19,220
Routine Maintenance	-	82,384	-	82,384	82,668
Write off of arrears	-	191	-	191	-
	73,677	203,077	-	276,754	261,055

6 Governance

		2023	Unaudited 2022
		£	£
Accounting fees (including VAT)	8	9,523	4,496
		9,523	4,496

7 Net income / (expenditure) for the year ending 31 March 2023

Net income / (expenditure) is stated after charging / (crediting):

	2023	Unaudited 2022
	£	£
Depreciation of tangible fixed assets	30,955	20,258
Loss / (gain) on fair value movement of investments	50,218	(98,035)

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FOR THE YEAR ENDED 31 MARCH 2023

8 Reporting accountant's remuneration

Amounts payable to auditor (excluding VAT):

	2023 £	Unaudited 2022 £
External audit	7,000	-
Preparation of Accountant's Report	-	2,070
Assurance services other than audit or independent examination	-	735
Other financial services – payroll	936	942

9 Trustees' and key management personnel remuneration and expenses

The key management personnel are the Trustees. Trustees neither received nor waived any remuneration during the year (2022: £Nil). Trustees expenses were nil the year to 31 March 2023 (2022: nil).

10 Staff costs and employee benefits

The average monthly number of employees and full time equivalent (FTE) (based on a 40 hour week) during the year ending 31 March 2023 was as follows:

	2023	2023	2022	2022
	Number	FTE	Number	FTE
Charitable activities	5	2	5	2
	5	2	5	2

The total staff costs and employee benefits were as follows:

	2023 £	Unaudited 2022 £
Wages and salaries	71,600	70,197
Social security	-	-
Pension costs	1,889	1,812
Training and other	188	990
	73,677	72,999

No employee received total employee benefits of more than £60,000 (2022: None).

THE LYGON ALMSHOUSES
NOTES TO THE FINANCIAL STATEMENTS
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11 Housing properties

	Land	Housing Properties	Property Improvements	Total
	£	£	£	£
Cost				
At 1 April 2022	920,000	308,370	334,328	1,562,698
Additions	-	-	158,349	158,349
At 31 March 2023	920,000	308,370	492,677	1,721,047
Depreciation:				
At 1 April 2022	-	98,680	106,208	204,888
Charge for the year	-	3,084	27,450	30,534
At 31 March 2023	-	101,764	133,658	235,422
Net book value:				
At 31 March 2023	920,000	206,606	359,019	1,485,625
At 31 March 2022	920,000	209,690	228,120	1,357,810

The net book value of land and buildings comprise of freehold property.

12 Other fixed assets

	Fixtures, Fittings and Equipment Housing	Fixtures, Fittings and Equipment Office	Total
	£	£	£
Cost			
At 1 April 2022	42,165	16,298	58,463
Additions	-	-	-
Disposal	-	-	-
At 31 March 2023	42,165	16,298	58,463
Depreciation:			
At 1 April 2022	42,165	14,991	57,156
Charge for the year	-	421	421
Disposal	-	-	-
At 31 March 2023	42,165	15,412	57,577
Net book value:			
At 31 March 2023	-	886	886
At 31 March 2022	-	1,307	1,307

THE LYGON ALMSHOUSES
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13a Investments

Market Value	Permanent Endowment Fund	Unrestricted Funds		Total Funds
-		Extraordinary Repair	Archie Arthur	
	£	£	£	£
As at 1 April 2021	619,910	499,364	91,214	1,210,488
Revaluations	53,786	37,879	6,370	98,035
Additions	-	-	1,000	1,000
Income re-invested	-	16,878	-	16,878
Disposals	-	-	-	-
As at 1 April 2022	673,696	554,121	98,584	1,326,401
Revaluations	(33,589)	(13,882)	(2,747)	(50,218)
Disposals	-	(60,000)	-	(60,000)
Income Re-invested	-	20,083	-	20,083
As at 31 March 2023	640,107	500,322	95,837	1,236,266

The historical cost of listed investments held as at 31 March 2023 is £1,081,627 (2022: £1,061,544).

13b Investments

	Cost		Market Value	
	31.3.2022 Unaudited Restated*	31.3.2023	31.3.2022 Unaudited	31.3.2023
	£	£	£	£
PERMANENT ENDOWMENT FUND				
COIF Charities Ethical Investment Trust – 226,055.92 income units	582,027	582,027	673,696	640,107
EXTRAORDINARY REPAIR FUND				
National Association of Almshouses Common Investment Fund 2022: 5,204.196 accumulation units 2023: 4,646.926 accumulation units	407,891	427,974	554,121	500,322
ARCHIE ARTHUR FUND				
National Association of Almshouses Common Investment Fund 107,296.013 income units	<u>71,626</u>	<u>71,626</u>	<u>98,584</u>	<u>95,837</u>
TOTAL INVESTMENTS	<u>1,061,544</u>	<u>1,081,627</u>	<u>1,326,401</u>	<u>1,236,266</u>

*The 31 March 2022 cost of the Extraordinary Repair fund had been understated by £16,878 in the prior year accounts. This relates to disclosure only and therefore has no impact on the reserves as a result of this change.

THE LYGON ALMSHOUSES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

14 Debtors

	2023 £	Unaudited 2022 £
Arrears of weekly maintenance charges	2,459	429
Provision for doubtful debts	(1,000)	-
Sundry receivables	-	8,041
Prepayments	7,265	3,679
	<u>8,724</u>	<u>12,149</u>

All debtors are due within one year.

15 Creditors: amounts falling due within one year

	2023 £	Unaudited 2022 £
Trade creditors	36,279	6,156
Accrued expenses	15,286	8,049
Weekly maintenance charges paid in advance	157	571
Other creditors	1,525	1,836
	<u>53,247</u>	<u>16,612</u>

16 Fund reconciliation

	Balance at 1 April 2022	Surplus/ (deficit)	Interest & Investment Income	Deprecia- tion	Investment Losses	Transfer to Cyclical Maintenance	Transfer to Extraordin- ary Reserve Fund	Balance at 31 March 2023
	£	£	£	£	£	£	£	£
A Arthur legacy	98,583	-	-	-	(2,747)	-	-	95,836
Cyclical maintenance	50,900	-	133	-	-	(48,400)	-	1,633
Extraordinary repairs	554,122	-	20,083	-	(13,882)	-	(60,000)	600,323
Accumulated surplus	338,359	(676)	(20,218)	3,534	-	49,400	60,000	430,401
Unrestricted reserves	1,041,964	(676)	-	3,534	(16,629)	-	-	1,028,193
Restricted funds	1,064,102	-	-	(450)	-	-	-	1,063,652
Permanent Endowment	687,193	-	-	(3,084)	(33,589)	-	-	650,520
Total	<u>2,793,259</u>	<u>(676)</u>	<u>-</u>	<u>-</u>	<u>(50,219)</u>	<u>-</u>	<u>-</u>	<u>2,742,365</u>

Extraordinary repairs and the Archie Arthur legacy are represented by fixed asset investments as disclosed in the investment note. The permanent endowment reserve represents the cost of housing properties less the depreciation charge plus the book value of investments including surpluses and deficits arising from the revaluation of those investments. The cyclical maintenance reserve is cash backed by a separately designated bank account. Restricted funds

represent the social housing grant, £1,056,452, plus a donation from 2019 of £9,000 which was applied to housing improvements and is depreciated over 20 years, net book value £7,200.

THE LYGON ALMSHOUSES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17 Analysis of net assets between funds

	Unrestricted funds £	Endowment funds £	Restricted funds £	Total 2023 £
Fixed assets	1,008,605	650,520	1,063,652	2,722,777
Cash and current assets	72,835	-	-	72,835
Current liabilities	(53,247)	-	-	(53,247)
Total	1,028,193	650,520	1,063,652	2,742,365

18 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2023 £	Unaudited 2022 £
Net (expenditure) / income for year	(50,894)	94,991
Dividends received	(43,379)	(39,136)
Interest receivable	(210)	(17)
Depreciation and Impairment of tangible fixed assets	30,955	20,258
Losses / (gains) on investments	50,218	(98,035)
Decrease / (increase) in debtors	3,425	(8,401)
Increase / (decrease) in creditors	36,635	(494)
Net cash flow from operating activities	26,750	(30,834)

19 Related party transactions

Sir William Powell's Almshouses is a related party as the two charities have 2 trustees in common:

- Councillor Adronie Alford
- The Rev. Penny Seabrook

During the year the Lygon Almshouses provided management services to Sir William Powell's Almshouses for which it charged a fee of £16,990 (2022: £16,000). There was a balance outstanding at the end of the year £0 (2022: £8,000).

20 Capital Commitments

	2023 £	Unaudited 2022 £
Capital expenditure contracted for and not provided for in the accounts	Nil	115,265

THE LYGON ALMSHOUSES
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21 Financial instruments

The carrying amounts of the charity's financial instruments are as follows:

	2023	Unaudited
	£	2022
		£
Financial assets		
Measured at fair value through net income / expenditure:		
- Fixed asset listed investments (note 13)	1,236,266	1,326,401
Measured at cost		
- Cash at bank and in hand	64,111	112,204
Measured at amortised cost:		
- Trade and other debtors (note 14 excl prepayments)	2,459	8,470
Total Financial Assets	1,302,836	1,447,075
Financial liabilities		
Measured at amortised cost		
- Trade and other creditors (note 15)	53,247	16,612
Total Financial Liabilities	53,247	16,612

22 Net Funds

Analysis of changes in net funds:

	At 1 April 2022	Cash Flows	Non-Cash Movements	At 31 March 2023
	£	£	£	£
Cash and cash equivalents	112,204	(48,093)	-	64,111
Housing loans due in one year	-	-	-	-
Housing loans due after one year	-	-	-	-
	<u>112,204</u>	<u>(48,093)</u>	<u>-</u>	<u>64,111</u>

23 Operating Leases

There are no operating leases held as at 31 March 2023 (2022: none)

24 Accommodation in Management

	2023	2022
<u>Number of units owned:</u>		
Supported housing and housing for older people	40	40

There were no additions or disposals to units during the year (2022: none).