

EGREMONT AND SOMERSET ALMSHOUSE CHARITY

(Registered Charity Number 212864)

**UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST OCTOBER 2022**

EGREMONT AND SOMERSET ALMSHOUSE CHARITY

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REFERENCE AND ADMINISTRATIVE DETAILS

Charity registration number:	212864
Principal address:	The Estate Office Petworth West Sussex GU28 0DU
Solicitors:	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH
Independent Examiner:	Mr J A Burnett ACA Martin and Company Chartered Accountants 25 St Thomas Street Winchester Hampshire SO23 9HJ
Bankers:	National Westminster Bank plc Market Square Petworth West Sussex GU28 0AL
Managing Agents	Savills The Estate Office Petworth West Sussex GU28 0DU

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST OCTOBER 2022

The Trustees present their report and financial statements of Egremont and Somerset Almshouse Charity for the year ended 31st October 2022.

Legal and administrative information set out on the information page forms part of this report. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charity's Trust Deed, the Charities Act 2011 and 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 published in October 2019

Structure, governance and management**Constitution and Governing Document**

The charity, Registration No. 212864, is also known as Somerset Hospital, in North Street, Petworth and Egremont Almshouses in Horsham Road, Petworth.

The governing document is a scheme sealed by the Charity Commissioners on 12th September 1983. This was subsequently altered by a scheme sealed by the Charity Commissioners on 4th December 2001 with regard to Connected Person transactions.

Organisation, Trustees and Management

The trustees of the charity at 31st October 2022, all of whom held office throughout the year were:

The Lord Egremont
The Canon M Gilbert
The Lady Egremont
Dr S Pett

The Trust Deed notes that the five trustees should comprise of two ex-officio members, The Lord Egremont and Rector from the parish of St Mary Petworth, and three co-optative trustees. The co-optative trustees are appointed for five years but can be re-elected. There is currently a vacancy for a fifth trustee following the retirement of Edward Lywood in 2020.

The trustees have appointed a resident warden, and Savills are engaged to oversee the management of the Charity. The accounts are maintained at Lord Egremont's Estate Office in Petworth. The full board of trustees meets twice a year. All new trustees are fully briefed on how the organisation operates to ensure that they understand their obligations as trustees. As vacancies for trustees arise, applications are sought from potential candidates known to the trustees and other suitable local people. Applicants are then considered by the trustees and appointments made by resolution of the trustees.

Objectives and activities

Somerset Hospital was endowed on 5th January 1746, and the Egremont Almshouses on 31st December 1836. The two charities were amalgamated on 12th September 1983. The Somerset Hospital building contains nine self-contained residential flats all of which were available to let in the year and one self-contained resident wardens' maisonette. There is also a residents' lounge and a spare bedroom for guests. The Egremont Almshouses building contains four residential flats.

Included within the original endowment of Somerset Hospital Charity was Glatting Farm, the Farmhouse of which was let separately in recent years under an assured tenancy. Following the death of the residential tenant the property became vacant and the trustees took the decision to sell the farmhouse. The sale took place in April 2020. The farmland associated with Glatting Farm continues to be let on two separate Agricultural Holding Act tenancies.

The charity holds its permanent endowment property and applies the income therefrom and from other sources to the management, maintenance, repair, improvement or rebuilding of the Egremont Almshouses and Somerset Hospital Almshouses and, subject to meeting these costs, otherwise apply the income for the benefit of the residents in the Almshouses.

Public Benefit

The trustees confirm they have complied with the duty in section 17(5) of the 2011 Charities Act to have due regard to guidance published by the Charity Commission. The benefits that arise from the aims and Objectives of the charity are the provision of reduced cost accommodation for aged poor persons.

Achievements and performance

The trustees continue to be satisfied that the charity is meeting its objectives.

Financial Review

The charity made a surplus for the year of £70,335 (2021 – £83,254) before revaluation of investments and before transfers between funds. This was after incurring total maintenance and repair costs, including cyclical repairs, on the almshouses of £25,139 (2021 – £17,465).

Unrealised losses on revaluation of investments totalled £213,391 (2021 - gains £312,431) resulting in a deficit for the year of £143,056 (compared with a surplus of £394,885 in 2021).

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST OCTOBER 2022**Financial Review Cont'd**

The net assets at 31st October 2022 amounted to £3,932,201 (compared with £4,075,258 at 31st October 2021) of which £3,758,823 (2021 - £3,929,020) was held as fixed assets.

The trustees consider that the charity will be able to meet its future liabilities and confirm that all assets are held in accordance with the trustees' powers.

Risks

Through the employment of professional advisors, the trustees seek to ensure that all of the Charity's management and decision making processes take full account of and comply with relevant legislation and regulatory controls. Insurance including property ownership and public liability is reassessed annually.

Reserves Policy

The charity aims to maintain an adequate cash reserve within general unrestricted funds for day to day running costs. At the year end the charity had £675,497 (2021 - £675,527) in general free reserves after transferring £60,000 to the Cyclical Maintenance fund (2021 £80,000 to the Extraordinary Repair Fund) details of which are disclosed in note 14. The Trustees aim to maintain approximately a year's running costs in this fund and to accumulate funds for future repairs of its old and historic properties

Two designated funds are maintained to cover periodic and unexpected required repair costs. The trustees review these funds annually and transfer available money to build up funds for these purposes.

Investment Policy

An analysis of investments held is detailed in note 12 to the financial statements. The Trustees aim for a balanced return on these.

Trustees Responsibilities in relation to the Financial Statements

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 in England & Wales require the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in 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 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.

Signed on behalf of the Trustees:

Dated:


.....
Lord Egremont - Chairman

10/05/2023
.....

**REPORT OF THE INDEPENDENT EXAMINER TO THE TRUSTEES
FOR THE YEAR ENDED 31ST OCTOBER 2022**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31st October 2022 which are set out on pages 5 to 11.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').


I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



James Angus Burnett ACA
Martin and Company
Chartered Accountants
25 St Thomas Street
Winchester
Hampshire
SO23 9HJ

Date: 16th May 2023

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST OCTOBER 2022

	Notes	Unrestricted Funds (Income)	Unrestricted Funds (Designated)	Endowment Funds	Total 31/10/2022	Total 31/10/2021
INCOME FROM:						
Donations		0			0	0
					0	0
Charitable activities - Rental income		120667			120667	114492
Investments - Glatting Farm rents		12741			12741	19581
- Investment Income:	3	53283	2081	0	55365	44921
		66024	2081	0	68106	64502
TOTAL INCOME		186691	2081	0	188773	178994
EXPENDITURE ON:						
Raising funds						
Repairs & Maintenance		0			0	0
Management - Glatting farm share		1373			1373	1370
Arbitrator - Glatting farm		2738			2738	0
Investment management		9360			9360	9170
Insurance - Glatting farm share		1390			1390	1424
		14861	0	0	14861	11964
Charitable activities						
Somerset & Egremont Almshouses						
Repairs & Maintenance		25139			25139	17465
Management & consultants *		7353			7353	4112
Wages Warden & Cleaner		18564			18564	18334
Water Rates & Council Tax		3990			3990	4444
Electricity (less recoveries)		5442			5442	3683
Gas		15037			15037	8749
Insurance		6450			6450	5858
Telephone (less recoveries)		2799			2799	2866
Garden Maintenance		2226			2226	1996
Sundry expenditure		4901			4901	4994
Depreciation		4304			4304	4229
Almshouses Association Subscription		242			242	246
Accountancy Charges		5150			5150	4800
Independent Examiners' Fee		1980			1980	2000
* 2022 management includes Quinquennial Survey £3,230		103577	0	0	103577	83776
TOTAL EXPENDITURE		118438	0	0	118438	95740
NET INCOME		68253	2081	0	70335	83254
Net (losses)/gains on investments		-8283	-7845	-197263	-213391	312431
Net loss on sale of Glatting Farmhouse				0	0	-800
Transfers between funds	13	-60000	60000	0	0	0
NET MOVEMENT IN FUNDS		-30	54236	-197263	-143057	394885
RECONCILIATION OF FUNDS						
Fund balances brought forward		675527	175709	3224022	4075258	3680373
FUND BALANCES CARRIED FORWARD		675497	229945	3026759	3932201	4075258

The net incoming resources for the year arise from the charity's continuing operations

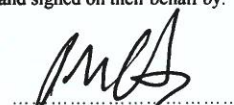
EGREMONT AND SOMERSET ALMSHOUSE CHARITY

BALANCE SHEET AS AT 31ST OCTOBER 2022

	Notes	£	2022 £	£	2021 £
FIXED ASSETS					
Tangible fixed assets	6				
Freehold Property			934,450	934,450	
Equipment			<u>12,912</u>	<u>17,216</u>	
			947,362		951,666
Investments	7		1,918,461		2,084,354
Investment property	8		893,000		893,000
			<u>3,758,823</u>		<u>3,929,020</u>
CURRENT ASSETS					
Cash at Bank and Charities Deposit Fund			186,511	158,407	
Debtors and Prepayments	9		<u>7,544</u>	<u>11,371</u>	
			194,055	169,778	
CREDITORS: Amounts falling due within one year					
Creditors and Accruals	10		<u>20,677</u>	<u>23,540</u>	
Net Current Assets/Liabilities			173,378		146,238
Net Assets			<u>3,932,201</u>		<u>4,075,258</u>
ENDOWMENT FUNDS	13		3,026,759		3,224,022
UNRESTRICTED FUNDS					
Income Funds	13		675,497		675,527
Designated Funds:					
Extraordinary Repairs Fund	13		150,799	156,633	
Cyclical Maintenance Fund	13		<u>79,146</u>	<u>19,076</u>	
			229,945		175,709
			<u>3,932,201</u>		<u>4,075,258</u>

The Financial Statements were approved by the Trustees and signed on their behalf by:


 Lord Egremont


 Canon M Gilbert

Date 10/04/2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 2022

1 STATUTORY INFORMATION

Egremont and Somerset Almshouse Charity is a charity registered in England and Wales. The charity's registered number and registered office address can be found in the Trustees' Report.

2 ACCOUNTING POLICIES**a. Accounting convention**

The financial statements of the charity, which is a public benefit entity, have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued in October 2019 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1st January 2015. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments.

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

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

b. Income

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

Donations are recognised when receivable by the charity.

Rental income is included in the period that it is due, net of any irrecoverable amounts. Any rents charged in advance are deferred.

Bank interest is included when receivable.

Dividends are recognised when the dividend has been declared and notification has been received of the amount due.

c. Expenditure

All liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure and it is probable that the payment will be required and can be reliably measured.

All expenditure is accounted for on an accruals basis and includes irrecoverable VAT.

Raising funds costs include rent collection charges, property repairs and maintenance charges for Glatting Farm and are recognised in the period they relate to.

Charitable expenses include the costs involved in the day to day running of the almshouses for the tenants.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 2022

2. ACCOUNTING POLICIES (CONTINUED)**d. Tangible Fixed Assets**

Fixed assets whose original cost was more than £350 have been capitalised and depreciated over the following periods:

Fixtures and equipment - 25% on a reducing balance basis

Fixtures and Equipment depreciated to less than £15 have been written off.

e. Freehold property

The almshouses are historic buildings and as well as being the functional properties of the charity (being used to provide reduced cost accommodation with the charitable deed) are also classed as historical buildings and hence heritage assets. Due to the uniqueness of the buildings a valuation in respect of the original properties is very difficult to attribute and as such the original values of the assets have been excluded from the balance sheet on the basis that reliable cost information is not available and conventional valuation approaches lack sufficient reliability.

The value of the buildings included in the accounts represents improvements undertaken to the buildings since 1983. Since these costs are significantly lower than the buildings' likely value, and as the buildings are kept in good repair, the Trustees believe that it is not appropriate to depreciate the properties.

f. Fixed Asset Investments

Investments are valued at mid-market value at the balance sheet date. All realised and unrealised gains and losses are taken to the Statement of Financial Activities.

g. Investment property

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in net gains/losses on investments in the Statement of Financial Activities.

h. Debtors

Trade debtors are recorded at their settlement amount. Prepayments are valued at the prepaid amount at the Balance Sheet date.

i. Cash at Bank and In Hand

Cash at bank and in hand includes cash and short term highly liquid investments with short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

j. Creditors

Trade creditors and other creditors are recognised when the charity has a present obligation resulting from past events and can be measured or estimated reliably. Creditors are recognised at their settlement amounts.

k. Taxation

The charity is exempt from tax on its charitable activities.

EGREMONT AND SOMERSET ALMSHOUSE CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

1. Funds

Unrestricted funds are funds that can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds are those funds that the trustees have set aside for cyclical maintenance and extra-ordinary repairs.

Endowment funds are those funds which are to be held as capital in the form of investments, either property or shares / deposits and cannot be spent. The income generated from the investments can be used for the charitable purpose and has no restriction on its use.

3 INVESTMENT INCOME

	Unrestricted Funds (Income)	Unrestricted Funds (Designated)	Endowment Funds	Total 2022	Total 2021
	£	£	£	£	£
Dividends	53,279	2012		55,291	44,919
Interest	4	70		74	2
Other				0	0
	<u>53,283</u>	<u>2,082</u>	<u>0</u>	<u>55,365</u>	<u>44,921</u>

4 TRUSTEES REMUNERATION & EXPENSES

No emoluments or expenses were paid to the trustees during the year.

5 EMPLOYEES

	Unrestricted Funds (Income)	Unrestricted Funds (Designated)	Endowment Funds	Total 2022	Total 2021
	£	£	£	£	£
Wages and Salaries	16,395	0	0	16,395	16,244
National Insurance	1,383	0	0	1,383	1,305
Pension costs	786	0	0	786	785
Holiday cover		0	0	0	0
	<u>18,564</u>	<u>0</u>	<u>0</u>	<u>18,564</u>	<u>18,334</u>

Average number of employees 1 (2020 - 1).

6 FIXED ASSETS

	Egremont Hospital	Somerset Hospital	Equipment	Total 2022	Total 2021
	£	£	£	£	£
Cost as at 1/11/2021	236,538	697,912	72,370	1,006,820	1,006,820
Additions during year:	0	0		0	0
Disposals during year	0	0	0	0	0
Cost as at 31/10/2022	<u>236,538</u>	<u>697,912</u>	<u>72,370</u>	<u>1,006,820</u>	<u>1,006,820</u>
Depreciation as at 1/11/2021	0	0	55,154	55,154	50,925
Depreciation Charge in Year	0	0	4,304	4,304	4,229
Depreciation on disposals	0	0	0	0	0
Depreciation as at 31/10/2022	<u>0</u>	<u>0</u>	<u>59,458</u>	<u>59,458</u>	<u>55,154</u>
Net book value at 31/10/2022	<u>236,538</u>	<u>697,912</u>	<u>12,912</u>	<u>947,362</u>	<u>951,666</u>
Net book value at 31/10/2021	<u>236,538</u>	<u>697,912</u>	<u>17,216</u>	<u>951,666</u>	<u>955,895</u>

EGREMONT AND SOMERSET ALMSHOUSE CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 2022

7	INVESTMENTS	2022	2021
		£	£
	Market Value at 1st November 2020	2,084,354	1,736,748
	Add: Additions to investments at cost	45,347	35,175
	Less: Disposals at carrying value	0	0
	Net gain/(loss) on revaluation	(211,240)	312,431
	Market Value at 31st October 2021	<u>1,918,461</u>	<u>2,084,354</u>
	Comprising		
	Charities Official Investment Fund	19,793	21,503
	Charishare accumulation shares	401,174	422,367
	M&G Charity Multi Asset Fund	1,021	1,049
	Aberdeen Standard portfolio	1,496,473	1,639,435
		<u>1,918,461</u>	<u>2,084,354</u>
8	INVESTMENT PROPERTY	2022	2021
		£	£
	Glatting Farm	<u>893,000</u>	<u>893,000</u>
	Glatting Farm is included at valuation, being estimated market value for existing use. The Trustees have reviewed the value at 31st October 2022 and consider that value is still reasonable.		
9	DEBTORS	2022	2021
		£	£
	Trade debtors	0	37
	Investment income receivable	288	243
	Rent receivable	20,790	17,450
	Rent billed in advance	(22,508)	(15,325)
	Prepayments	8,974	8,966
		<u>7,544</u>	<u>£ 11,371</u>
10	CREDITORS: Amounts falling due within one year	2022	2021
		£	£
	Trade Creditors	11,426	10,508
	Rent received/billed in advance	0	0
	Other creditors and accruals	9,251	13,032
		<u>20,677</u>	<u>£ 23,540</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 2022

11 CONNECTED PERSON TRANSACTIONS

During the year the charity incurred expenditure of £9,137 (2021 - £14,298) in respect of administration, and repairs and improvements to the properties by the Leconfield Estates. Lord Egremont, a trustee, is the sole proprietor of the Leconfield Estates. The creditor at the beginning of the year was £400. At the end of the year, there was a creditor of £450.

12 TRUSTEES INDEMNITY INSURANCE

Trustees indemnity insurance of up to £100,000 was included in the specialist almshouse insurance package with effect from renewal in June 2022. (2021 £100,000).

13 MOVEMENT IN FUNDS

	At 1.11.21	Net movement	Transfers	At 31.10.22
	£	£	£	£
Restricted funds				
Capital Endowment fund	3,224,022	(197,263)		3,026,759
Unrestricted funds				
Income fund	675,527	(30)	0	675,497
Designated funds				
- Extraordinary repair fund	156,633	(5,834)	0	150,799
- Cyclical maintenance fund	19,076	60,070	0	79,146
	175,709	54,236	0	229,945
Total funds	4,075,258	(143,057)	0	3,932,201

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Restricted funds			
Capital Endowment fund	(197,263)	0	(197,263)
Unrestricted funds			
Income fund	178,408	178,438	(30)
Designated funds			
- Extraordinary repair fund	(5,834)	0	(5,834)
- Cyclical maintenance fund	60,070		60,070
	54,236	0	54,236
Total funds	35,381	178,438	(143,057)

Details of the Capital Recoupment fund are set out in note 15.

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets	Investment Property	Investments	Net current assets	Total
	£	£	£	£	£
Restricted funds					
Capital Endowment Fund	303,037	893,000	1,847,664	(16,942)	3,026,759
Unrestricted funds					
Income Fund	644,325	0	0	31,172	675,497
Designated Funds					
Extraordinary Repair Fund			70,797	80,002	150,799
Cyclical Maintenance Fund				79,146	79,146
	0	0	70,797	159,148	229,945
Total funds	947,362	893,000	1,918,462	173,378	3,932,202

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 2022

Endowment Funds

These funds were endowed by a trust deed for the perpetual relief of poor people in a designated area.

Income Fund

This fund has accumulated from income received and represents the free funds of the charity which are not designated for particular purposes.

Designated Funds

These funds have been established for the purpose of providing for the extraordinary repairs and cyclical maintenance of the properties and a yearly sum is to be set aside into each fund for this purpose. The Trustees have set aside £60,000 (2021 £80,000) this year for anticipated major repairs.

15

CAPITAL RECOUPMENT FUND

In 2013, the Charity Commission authorised sanctions totalling £180,000 to finance major repairs and improvements with repayments of this, over 30 years which commenced in 2014. The Trustees considered the current balance on the Income Fund and agreed to bring forward the repayment of the balance outstanding on the Capital Recoupment Fund in 2021. This fund has now merged with the Capital Endowment Fund.