

THE DAVENPORT HOMES

**TRUSTEES' REPORT AND
FINANCIAL STATEMENTS**

YEAR ENDED 5 APRIL 2023

Charity Number 215415

THE DAVENPORT HOMES

REPORT OF THE TRUSTEES for the year ended 5 April 2023

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' (FRS 102) in preparing the annual report and financial statements of the Charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the Charity's governing document, 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 on 16 July 2014.

Reference and Administrative Information

The Trust is registered with the Charity Commission, registration number 215415. The Trust has been accepted as a charity by HM Revenue & Customs and as such its income and capital gains are exempt from taxation. The Charity's principal address is 30 Bentley Heath Cottages, Tilehouse Green Lane, Knowle, Solihull, B93 9EL.

Trustees

| The Trustees who acted in the year are: | Present term of office expires: |
|---|---------------------------------|
| David John Corney - Chairman | 18 July 2027 |
| Jan Cove | 20 April 2027 |
| Stephen Charles Goodchild | 24 February 2025 |
| Michael Frank Holford | 26 April 2026 |
| Graham McGuinness | 04 September 2024 |
| Elizabeth Mary Spencer | 15 January 2025 |
| Simon Willcock | 31 October 2027 |

Mr Willcock was appointed as a Trustee on 31.10.2022.

Mr Kevin Cooke was appointed as a Trustee on 18.9.2023 for a period of five years.

Mr McGuinness ceased to be a Trustee on 17.4.2023.

The present Trustees are members of the local community who are in sympathy with the aims of the Charity. They are local people of integrity whose different experiences combine and add to the Charity's activities and management.

Other Advisers

| | |
|----------------------|---|
| Bankers: | HSBC Bank Plc of 22-24 Colmore Row, Birmingham B3 2QD |
| Solicitors: | Wallace Robinson and Morgan, 4 Drury Lane, Solihull, West Midlands, B91 3BD |
| Investment Managers: | Evelyn Partners Investment Management LLP, 14th Floor, 103 Colmore Row, Birmingham, B3 3AG. |

Independent Examiner and Auditor

In the past the Trustees determined that an independent examination of the Charity's financial statements was required and had appointed Shona Cutler BSc (Hons), FCA TEP of Shona Cutler Limited Chartered Accountants, Grove Farm Bungalow, Lincomb, Worcestershire, DY13 9RB. This year an audit is required and the Trustees have appointed JW Hinks LLP, Chartered Accountants and Statutory Auditors, 19 Highfield Road, Edgbaston, Birmingham B15 3BH, as auditor.

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REPORT OF THE TRUSTEES for the year ended 5 April 2023 (continued)

Structure, Governance and Management

Governing Document

The Charity is governed by a Scheme created on 6 August 2003 under an Order from the Charity Commission for England and Wales under the power given in the Charities Act 1993 and is known as The Davenport Homes (215415).

The current Scheme governs the charities previously known as The Davenport Homes (215415); and The Samuel Welsh Memorial Homes (216935).

Recruitment and Appointment of Trustees

The body of Trustees consists, when complete, of not less than six and not more than eight competent persons. Each Trustee is appointed for a term of five years by a resolution of the Trustees. Upon the completion of their term of office any competent Trustee may be reappointed.

Risk Management

The risks to which the Charity is exposed are under regular review.

Policies have been adopted to mitigate potential risks to the Charity, its Residents and Employees.

Objectives

The objects of the Charity, as set out in the latest Scheme, are (a) the provision of housing accommodation for beneficiaries; and (b) such charitable purposes for the benefit of the residents as the Trustees decide. The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and planning future activities. In particular, the Trustees have considered how planned activities will contribute to the aims and objectives set.

Public Benefit

The Charity provides accommodation to those who are unable to afford commercial rents. It maintains close contact with the residents, ensuring that their health and welfare are protected.

Organisational Structure

All matters of policy and management of the Charity are determined by the Trustees at their regular meetings, which take place four times each year. Informal meetings also take place, more frequently, to review ongoing operational issues.

As authorised by the Scheme the Trustees have appointed a part time Trust Administrator/Property Manager. In general terms the day to day administration of the Charity is carried out by the Trust Administrator who attends each Trustees' meeting to report on all important matters dealt with since the last meeting.

The Trustees have established a website at www.davenportalmshouses.org.uk, which has been revised and updated during the year under review.

The Trustees have appointed a Residents' Liaison Officer who is the Charity's one full time employee. It is her responsibility to administer to the general welfare and environment of all residents on a day to day basis. She reports weekly to the Trust Administrator and a group of Trustees, or more frequently if necessary, on any matter requiring attention by the Trustees. In addition, she attends each formal meeting of the Trustees to report on a more general basis and to take part in the discussions of the Trustees on all matters relevant to the general welfare of the residents.

THE DAVENPORT HOMES

REPORT OF THE TRUSTEES for the year ended 5 April 2023 (continued)

Organisational Structure (continued)

Individual Trustees make themselves available regularly to meet the Trust Administrator, the Residents' Liaison Officer and residents to ensure that all matters of concern are dealt with promptly. Certain Trustees with specialist knowledge and experience attend the site regularly to advise, within the bounds of their specialist expertise, on action it is necessary for the Trustees to take. Property, legal and financial matters are dealt with in this way.

Achievements, Performance and Financial Review

It is the aim of the Charity, both presently and in the future, to provide comfortable and well-maintained properties for the use of residents and to provide a secure and peaceful environment in which they may live. The Charity presently has adequate financial resources and plans in place to enable the Charity to meet these objectives.

All cottages and flats have been occupied throughout the year except for short periods between the departure and arrival of beneficiaries and where refurbishment has been taking place.

The Trustees are pleased that the social welfare of the residents is being maintained by the activities of the Residents' Liaison Officer and of the residents themselves. These activities normally include social functions at Bentley Heath Cottages, trips to local places of interest and a Christmas luncheon.

A programme to upgrade the kitchens and bathrooms of the Charity's older cottages is almost complete, with just 2 cottages outstanding.

The financial statements disclose details of the financial transactions for the year and it will be seen that after providing for the upkeep of the almshouses, benefits for residents, governance and costs of generating funds, there was a surplus of £26,725 on the unrestricted income fund.

During the year there has been a decrease in the market value of the Charity's investments and as a result the value of the Charity's Funds at 5 April 2023 was £5,190,019.

The Trustees are of the opinion that the Balance Sheet discloses funds adequate for the purpose of fulfilling the obligations of the Charity.

Investment Policy

The Scheme imposes no restrictions on the investment powers of the Trustees.

The Trustees have approved an investment policy that requires the production of an adequate income return consistent with a requirement to maintain the real value of the capital of the Charity. The Trustees have appointed Smith & Williamson Investment Management LLP (a part of the Evelyn Partners group) of 14th Floor, 103 Colmore Row, Birmingham, B3 3AG to act as Investment Managers to the Charity with full discretionary powers. Their performance is monitored using the FTSE All Share Index as a benchmark.

Reserves Policy

The investments of the Charity produce an income which, together with the residents' Weekly Maintenance Contribution, is normally more than that necessary to cover the costs of administering and maintaining the present almshouses. It is the Trustees policy to retain an amount approximating to the estimated total operating expenses for the forthcoming year in the Unrestricted Income Fund. Funds surplus to these requirements are transferred to a fund designated to meet future developments. The Trustees are constantly considering ways in which these surplus funds may be used to increase the number of almshouse units operated by the Charity or to carry out major improvements to existing accommodation.

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REPORT OF THE TRUSTEES for the year ended 5 April 2023 (continued)

Plans for Future Periods

The Trustees plan to continue to operate the almshouses and will consider ways in which surplus funds can be utilised to further the objects of the Charity.

Statement of Trustees' Responsibilities for the financial statements

The Trustees are responsible for preparing the Trustees' 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 requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the Charity's affairs and of the incoming resources and application of resources of the Charity for that period.

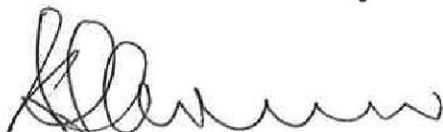
In preparing these financial statements, the Trustees are required to:

- (a) select suitable accounting policies and apply them consistently;
- (b) observe the methods and principles in the Charities SORP;
- (c) make judgements and estimates that are reasonable and prudent;
- (d) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- (e) prepare the financial statements on a going concern basis unless it is considered inappropriate to assume that the Trust will continue.

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 Charity (Accounts and Reports) Regulations 2008 and the provisions of the Scheme.

The Trustees are also responsible for safeguarding the assets of the Charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 18 December 2023 and signed on their behalf by:



D.J. CORNEY

Chairman

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE DAVENPORT HOMES

Opinion

We have audited the financial statements of The Davenport Homes (the 'charity') for the year ended 5 April 2023 which comprise of the Statement of Financial Activities, Balance Sheet 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, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2023, and of its incoming resources and application of resources, including its income and expenditure, 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 qualified opinion

The previous financial statements for the year ended 5 April 2022 were not subject to audit. We were unable to satisfy ourselves by alternative means concerning the opening balances disclosed in the Statement of Financial Activities and the Balance Sheet as comparative figures. Whilst we were satisfied with the material accuracy of amounts recorded in the balance sheet as at 5 April 2023, the impact of opening balances on the current year financial performance prevents us from forming an opinion on the financial statements taken as a whole.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the trustees annual report, 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 addition to the 'Basis for Qualified Opinion' paragraph.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE DAVENPORT HOMES (continued)

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.



JW Hinks LLP
Chartered Accountants and Statutory Auditors
19 Highfield Road
Edgbaston
Birmingham
West Midlands
B15 3BH

Date.....18/12/2023

THE DAVENPORT HOMES

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 5 April 2023

| | Unrestricted Income £ | Designated for Almshouses £ | Expendable Endowment £ | Permanent Endowment £ | 2023 Total £ | 2022 Total £ |
|---|-----------------------------|--------------------------------------|------------------------------|-----------------------------|--------------------|--------------------|
| INCOME FROM | | | | | | |
| Donations and legacies | 3,061 | | | | 3,061 | 3,760 |
| Income from operating activities (note 2) | 179,478 | | | | 179,478 | 169,493 |
| Investment income | | | | | | |
| Income from funds held by Investment Managers (note 3) | 80,210 | | | | 80,210 | 68,480 |
| Bank interest | - | | | | - | - |
| Total incoming resources | <u>262,749</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>262,749</u> | <u>241,733</u> |
| EXPENDITURE ON | | | | | | |
| Costs of generating funds | 3,431 | | | | 13,723 | 14,877 |
| Investment management fees | 232,593 | | 10,292 | 24,352 | 256,945 | 331,517 |
| Charitable activities (notes 4 & 5) | | | | | | |
| Total resources expended | <u>236,024</u> | <u>-</u> | <u>10,292</u> | <u>24,352</u> | <u>270,668</u> | <u>346,394</u> |
| NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS CARRIED FORWARD | <u>26,725</u> | <u>-</u> | <u>(10,292)</u> | <u>(24,352)</u> | <u>(7,919)</u> | <u>(104,661)</u> |

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STATEMENT OF FINANCIAL ACTIVITIES for the year ended 5 April 2023 (continued)

| | Unrestricted Income £ | Designated for Almshouses £ | Expendable Endowment £ | Permanent Endowment £ | 2023 Total £ | 2022 Total £ |
|---|-----------------------------|--------------------------------------|------------------------------|-----------------------------|--------------------|--------------------|
| NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS BROUGHT FORWARD | 26,725 | - | (10,292) | (24,352) | (7,919) | (104,661) |
| GAINS/(LOSSES) ON INVESTMENTS | | | | | | |
| Investment disposals | | | (18,279) | | (18,279) | 4,836 |
| Investment revaluations | | | (205,802) | | (205,802) | 170,756 |
| | | | (224,081) | | (224,081) | 175,592 |
| | 26,725 | - | (234,373) | (24,352) | (232,000) | 70,931 |
| Transfer between funds (note 11) | (20,909) | - | 20,909 | - | - | - |
| NET MOVEMENT IN FUNDS | 5,816 | - | (213,464) | (24,352) | (232,000) | 70,931 |
| Total funds brought forward at 6 April 2022 | 107,550 | - | 3,197,849 | 2,116,620 | 5,422,019 | 5,351,088 |
| TOTAL FUNDS CARRIED FORWARD AT 5 APRIL 2023 | £113,366 | - | £2,984,385 | £2,092,268 | £5,190,019 | £5,422,019 |

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing operations.

THE DAVENPORT HOMES

BALANCE SHEET at 5 April 2023

| | 2023 £ | 2022 £ |
|--|-------------------|-------------------|
| Fixed Assets | | |
| Tangible assets (Note 7) | 2,092,268 | 2,116,620 |
| Investments (Note 8) | 3,076,034 | 3,290,829 |
| | <u>5,168,302</u> | <u>5,407,449</u> |
| Current Assets | | |
| Debtors (Note 9) | 7,090 | 5,755 |
| Bank and cash | 33,580 | 23,875 |
| | <u>40,670</u> | <u>29,630</u> |
| Less Liabilities | | |
| Amounts falling due within one year (Note 10) | 18,953 | 15,060 |
| | <u>—</u> | <u>—</u> |
| Net Current Assets | 21,717 | 14,570 |
| | <u>—</u> | <u>—</u> |
| Net Assets | <u>£5,190,019</u> | <u>£5,422,019</u> |
| Funds (Note 11) | | |
| Income | | |
| Unrestricted Income | 113,366 | 107,550 |
| Designated for Almshouses | — | — |
| | <u>113,366</u> | <u>107,550</u> |
| Capital | | |
| Expendable Endowment | 2,984,385 | 3,197,849 |
| Permanent Endowment utilised for Almshouses | 2,092,268 | 2,116,620 |
| | <u>5,076,653</u> | <u>5,314,469</u> |
| | <u>£5,190,019</u> | <u>£5,422,019</u> |

The notes on pages 10 to 17 form part of these financial statements.

Approved by the Trustees on 18 December 2023:

D. J. CORNEY



Mrs J. COVE



M. F. HOLFORD



Mrs M SPENCER




S. C. GOODCHILD



S. WILLCOCK



K. COOKE



THE DAVENPORT HOMES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 5 April 2023

1. Summary of significant accounting Policies

(a) General information and basis of preparation

The Davenport Homes is an unincorporated charity registered in England And Wales. The address of the office is given in the Reference and Administrative Information section page 1 of these financial statements. The charity's principal activities are the provision of housing accommodation.

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 United Kingdom and Republic of Ireland (FRS 102) issued on 16 July 2014, the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

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 the 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 16 July 2014.

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 the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Designated funds are those funds which are unrestricted in nature but which have been designated by the Trustees to be used in a particular manner.

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 charity has no restricted funds.

Endowment funds represent those assets which must be held permanently by the charity. 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 form part of the fund. Charges or legal advice relating to the fund are charged against the fund.

THE DAVENPORT HOMES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 5 April 2023 (continued)

(c) 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.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under the headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes the upkeep of almshouses and benefits for residents as well as the administrative costs.
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

(e) Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include accountancy fees, audit fees and costs linked to the strategic management of the charity.

(f) Tangible assets

Purchases of land and buildings are capitalised at cost. Assets donated to the trust or acquired at less than their current value are capitalised at the current value at the date of acquisition. Subsequent expenditure on a fixed asset that enhances the value of the asset is capitalised. Any fixtures and fittings acquired on the initial purchase or erection of a building are capitalised as part of the building costs. All replacements of fixtures and fittings are charged as a revenue expense.

THE DAVENPORT HOMES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 5 April 2023 (continued)

(f) Tangible assets (continued)

Purchases of furniture and other equipment and any fixtures and fittings deemed to be additions, as distinct from replacements, are capitalised if the initial cost of the asset exceeds £2,000.

Otherwise the cost is treated as a revenue expense.

Depreciation is written off fixed assets at rates appropriate to their useful economic lives. The rates used are:

| | |
|-----------------------|--|
| Freehold land | Nil |
| Freehold buildings | 1% per annum (Estimated life of 100 years) |
| Furniture & equipment | 20% per annum (Estimated life of 5 years) |

The Trustees review the carrying values of all fixed assets each year and in any case where the net carrying value of an asset is higher than its recoverable amount an impairment charge is made to write down the net carrying value to the lower recoverable amount.

(g) 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.

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

(h) Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(i) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charity for UK corporation tax purposes.

(j) 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.

THE DAVENPORT HOMES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 5 April 2023 (continued)

2. Income from operating activities

| | 2023 £ | 2022 £ |
|------------------------------------|-----------------|-----------------|
| Contributions from residents | | |
| Weekly maintenance charges | 174,021 | 165,386 |
| Gas charges | 3,433 | 2,102 |
| Contributions towards office costs | 2,000 | 2,000 |
| Other income | 24 | 5 |
| | <u>£179,478</u> | <u>£169,493</u> |

3. Income from funds held by investment managers

| | 2023 £ | 2022 £ |
|--|----------------|----------------|
| Income from investments listed on a recognised stock exchange | 80,210 | 68,480 |
| Interest on funds held on deposit | - | - |
| | <u>£80,210</u> | <u>£68,480</u> |

4. Charitable expenditure

| | 2023 £ | 2022 £ |
|---|-----------------|-----------------|
| Upkeep of almshouses and benefits for residents | | |
| Heating and lighting | 6,262 | 7,957 |
| Water rates and council tax | 9,824 | 9,697 |
| Insurance | 3,760 | 3,707 |
| Depreciation of buildings | 24,352 | 24,352 |
| Repairs and renewals | | |
| Equipment | 1,971 | 1,144 |
| Property | 114,350 | 203,685 |
| Estate expenses | 27,444 | 24,606 |
| Salaries and pension contributions | 49,483 | 46,474 |
| Office expenses | 2,047 | 2,454 |
| Sundry expenses | 3,338 | 1,903 |
| | <u>£242,831</u> | <u>£325,979</u> |
| Charged against Permanent Endowment | | |
| Depreciation | 24,352 | 24,352 |
| Charged against Unrestricted Income | | |
| All other charitable expenses | <u>218,479</u> | <u>301,627</u> |
| | <u>£242,831</u> | <u>£325,979</u> |

5. Governance costs

| | 2023 £ | 2022 £ |
|-------------------------------|----------------|---------------|
| Accountancy and audit fees | 11,550 | 3,684 |
| Trustees' indemnity insurance | 1,880 | 1,854 |
| Other professional fees | 684 | - |
| | <u>£14,114</u> | <u>£5,538</u> |

THE DAVENPORT HOMES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 5 April 2023 (continued)

6. Remuneration and other benefits

None of the Trustees receives remuneration or other benefits from the Trust.

During the year D. Corney received £420 (2022 £360), M. Holford received £7 (2022 £13) and E. M. Spencer received £Nil (2022 £769) in reimbursement of out of pocket expenses incurred on behalf for the Trust.

During the year the average number of employees was 1 full-time and 2 part-time (2022 1 full-time and 2 part-time). Their total remuneration was £49,483 (2022 £46,474).

7. Tangible fixed assets

Freehold land and almshouses built thereon

| | Land £ | Buildings £ | Total £ |
|------------------------------------|----------------|-------------------|-------------------|
| Cost | | | |
| At 6 April 2022 | 85,296 | 2,589,090 | 2,674,386 |
| Additions | - | - | - |
| At 5 April 2023 | 85,296 | 2,589,090 | 2,674,386 |
| Depreciation | | | |
| At 6 April 2022 | - | 557,766 | 557,766 |
| Charge for the year | - | 24,352 | 24,352 |
| At 5 April 2023 | - | 582,118 | 582,118 |
| Written down value at 5 April 2023 | <u>£85,296</u> | <u>£2,006,972</u> | <u>£2,092,268</u> |
| Written down value at 5 April 2022 | <u>£85,296</u> | <u>£2,031,324</u> | <u>£2,116,620</u> |

The Charity's freehold land and buildings are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to bring the land and buildings to a condition necessary for it to be capable of operating in the manner intended by the Trustees. Depreciation is charged at 1% of cost, per annum.

THE DAVENPORT HOMES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 5 April 2023 (continued)

8. Investments

| | 2023 £ | 2022 £ |
|---|-------------------|-------------------|
| Cost of investments listed on a recognised Stock Exchange | | |
| At 6 April 2022 | 2,227,467 | 2,150,486 |
| Purchases | 460,038 | 221,817 |
| Cost of sales | (309,771) | (144,836) |
| At 5 April 2023 | <u>2,377,734</u> | <u>2,227,467</u> |
| Surplus on revaluation | | |
| At 6 April 2022 | 986,215 | 839,229 |
| Eliminated on sales | (164,941) | (23,770) |
| Adjustment for the year | (205,802) | 170,756 |
| At 5 April 2023 | <u>615,472</u> | <u>986,215</u> |
| Market Value at 5 April 2023 | <u>£2,993,206</u> | <u>£3,213,682</u> |
| Investments at Market Value comprised: | | |
| Government stock | 56,326 | 66,320 |
| Other fixed interest securities | 166,023 | 191,145 |
| Equities and unit trusts | <u>2,770,857</u> | <u>2,956,217</u> |
| | <u>2,993,206</u> | <u>3,213,682</u> |
| Uninvested cash | 82,828 | 77,147 |
| | <u>£3,076,034</u> | <u>£3,290,829</u> |

At 5 April 2023 the Trust held no investments which individually represented in excess of 5% of the total value of the portfolio.

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

All investments are carried at their fair value. Investments in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

THE DAVENPORT HOMES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 5 April 2023 (continued)

8. Investments (continued)

The main risk to the Charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. The Charity is reliant on dividend yield to finance its work. Liquidity risk is anticipated to be low as all assets are traded. The Charity's investments are mainly traded in markets with good liquidity and high trading volumes. The Charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Charity manages these investment risks by retaining expert advisers and operating an investment policy that provides for a high degree of diversification of holdings within investment classes that are quoted on recognised stock exchanges. The Charity does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

9. Debtors

| | 2023 £ | 2022 £ |
|-----------------------------------|---------------|---------------|
| Dividends and interest in transit | 5,122 | 3,870 |
| Sundry and Prepayments | 1,968 | 1,885 |
| | <u>£7,090</u> | <u>£5,755</u> |

10. Liabilities: Amounts falling due within one year

| | 2023 £ | 2022 £ |
|----------|----------------|----------------|
| Accruals | 18,953 | 15,060 |
| | <u>£18,953</u> | <u>£15,060</u> |

11. Funds

The Trust has four funds, two of which are capital funds, the Expendable Endowment Fund and the Permanent Endowment Fund and two of which are income funds, the Designated for Almshouses Fund and the Unrestricted Income Fund.

The Expendable Endowment Fund represents the general capital of the Trust, the income from which provides the Charity's incoming resources. The Permanent Endowment Fund has been utilised for the acquisition of almshouses, land and buildings and cannot be distributed.

The Unrestricted Income Fund represents the general unallocated income of the Charity.

During the year the Trustees transferred a net amount of £20,909 from the Unrestricted Income Fund to the Expendable Endowment Fund.

THE DAVENPORT HOMES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 5 April 2023 (continued)

12. Analysis of assets between funds

| Income | Unrestricted Income £ | Designated for Almshouses £ | Total £ |
|--------------------|------------------------------|--------------------------------------|-------------------|
| Debtors | 7,090 | - | 7,090 |
| Uninvested cash | 91,649 | - | 91,649 |
| Bank and cash | 33,580 | - | 33,580 |
| | <u>132,319</u> | <u>-</u> | <u>132,319</u> |
| Less: Liabilities | 18,953 | - | 18,953 |
| | <u>£113,366</u> | <u>-</u> | <u>£113,366</u> |
| | | | |
| Capital | Expendable Endowment £ | Permanent Endowment £ | Total £ |
| Tangible assets | - | 2,092,268 | 2,092,268 |
| Listed investments | 2,993,206 | - | 2,993,206 |
| Uninvested cash | (8,821) | - | (8,821) |
| Bank and cash | - | - | - |
| | <u>£2,984,385</u> | <u>£2,092,268</u> | <u>£5,076,653</u> |

13. Related party transactions

During the year the trust received £2,273 (2022: £2,232) in respect of office rental and telephone, from the W. E. Dunn Charitable Trust, a trust of which D. Corney, trustee, is also a trustee. At the year end there is a debtor from the W. E. Dunn Charitable Trust of £267 (2022: £273).