

**THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL)  
ALMSHOUSES CHARITY**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

# **THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

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## **THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

### **REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2023**

#### **Trustees**

Dr Hazel Jones-Lee, Chair  
Mr Richard Metcalfe, Vice Chair  
Mr Alan Birkmyre  
Councillor Teresa Cairns  
Mr Aidan Evans  
Councillor John O'Shea  
Ms Sue Pearson  
Dr Hilary Anne Wynne  
Mrs Patricia Wynne CBE (retired 7 June 2023)  
Councillor Shumel Rahman  
Mr N McDiarmid (appointed 7 June 2022, resigned 8 May 2023)  
Mr M Richardson (appointed 7 June 2022)

#### **Charity registered number**

216275

#### **Registered office**

5 - 7 Osborne Terrace  
Newcastle upon Tyne  
NE2 1SQ

#### **Independent auditors**

Kinnair Associates Limited  
Chartered Accountants  
Registered Auditor  
Aston House  
Redburn Road  
Newcastle upon Tyne  
NE5 1NB

#### **Bankers**

National Westminster Bank plc  
16 Northumberland Street  
Newcastle upon Tyne  
NE1 7EL

#### **Solicitors**

Mincoffs Solicitors  
5 - 7 Osborne Terrace  
Newcastle upon Tyne  
NE2 1SQ

#### **Regulator of Social Housing number**

A1273

**THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
(CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023**

**Manager**

Patricia Embleton  
Thomas Horsley House  
Benwell Lane  
Newcastle upon Tyne  
NE15 6NG

**Clerks**

Timothy Rohan Gray (Clerk)  
Christopher Hughes (Deputy)



# **THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

## **TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023**

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 April 2022 to 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Charity's governing document, the Housing SORP 2018: Statement of Recommended Practice (SORP) for Registered Social Housing Providers, the Charities Act 2011, the relevant version of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Financial Statements do not present a Statement of Comprehensive Income or a Statement of Changes in Reserves as the Trustees believe that the information that would be shown in these statements is already adequately disclosed in the Statement of Financial Activities and the Statement of Funds note to the Financial Statements.

### **Objectives and activities**

#### **• Policies and objectives**

The objective of the Charity is to provide inexpensive sheltered accommodation for poor men over the age of 50 years referred to as "residents".

The principal activity is the management of the Almshouses at Rye Hill and Benwell. The numbers of flats available for occupation by residents are 18 at Rye Hill and 40 at Thomas Horsley House, Benwell.

The Trustees are satisfied that the objects of the Charity fall within the meaning of "charitable purpose" within Section 2 of the Charities Act 2011 as they refer particularly to: -

- a. the prevention or relief of poverty; and
- b. the relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage.

The Trustees are further satisfied that the activities of the Charity fall within principles one and two as set out in the Charity Commission guidance dated December 2008 and that the historical restrictions on entry are, in all prevailing circumstances, reasonable.

In setting objectives and planning for activities the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

### **Achievements and performance**

#### **• Compliance with the Governance and Financial Viability Standard**

The Trustees undertake an annual assessment of their compliance with the Governance and Financial Viability Standard and confirm the entity's compliance with the Standard during the course of the year and up to the signing of the financial statements.

The Trustees have adopted the NHF Code of Governance 2020.

# THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### Achievements and performance (continued)

#### ● Review of activities

In pursuit of high standards with regard to its responsibilities to residents and staff, at least every three years, the Charity reviews its policies and procedures as part of a cyclical process of monitoring and improvement.

In line with recommendations of the Regulator of Social Housing and the Alms Houses Association, the Charity has continued with programmes of planned maintenance and enhancement of the properties with funds accumulated for the purpose. The Trustees, having assessed the risks, are confident that high standards have been maintained whilst retaining sufficient resources to cover the costs of unexpected events.

Income - the financial statements reflect an increase in the legacy income from the Estate Management Charity and investment assets but also show a decrease in income from charitable activities due to voids.

Expenditure - the reported expenditure reflects the ongoing maintenance of the properties.

#### ● Investment policy and performance

The Trustees have adopted a policy of seeking medium risk investments in order to generate income and achieve some capital growth. The Charity remains a long term investor and, on professional advice, holds a diversified portfolio of equities, bonds and property with some cash.

The portfolio total return was -5.9% for the year to 31 March 2023 (2022: +6.1%). This compares with total returns for the following indices:

	Year to 31.03.23	Year to 31.03.22
BD Risk Category 6 Benchmark	- 1.4%	+ 9.6%
FTSE British Government All Stocks Index	- 16.3%	- 5.1%
Iboxx £ Corporate Bond Index	- 10.6%	- 5.5%
FTSE All Share Index	+ 2.9%	+ 13.0%
FTSE All World Ex UK Index	- 0.9%	+ 12.6%
IA Property Index	- 8.4%	+ 23.6%
IA Targeted Absolute Return Index	+ 0.3%	+ 2.5%

The RBC Brewin Dolphin Risk Category 6 Benchmark comprises 2.0% UK Gilts, 2.5% UK Bonds, 12.5% Overseas Bonds, 19% UK Equities, 49.5% Overseas Equities, 3% Property, 9% Alternatives & 2.5% Cash.

The challenges of the previous year continued and, with mounting evidence of slowing economic growth, global equity markets reached a level more than 20% below the January 2022 peak in the opening quarter, the standard definition of a bear market. Inflation continued to be more persistent than hoped with the impact being felt most acutely through energy and food prices. As the year has progressed central banks have been forced onto a more aggressive path of monetary tightening and this has heightened uncertainty over the likelihood, and timing, of a global recession.

However, as valuations started to appear more attractive, equities found a stronger footing and some of the quality companies that RBC Brewin Dolphin favour started to do better. There were very few disappointments in the areas that RBC Brewin Dolphin prefer in 'results season' when companies update on profits. The better tone continued up until the last week of August when Federal Reserve Governor Powell delivered a highly anticipated speech at the Jackson Hole Symposium and clarified that softer inflation prints fell far short of what is needed, and that the Fed was wary of pausing rate rises prematurely. In September, the FTSE 100 lost 3% as Chancellor Kwasi Kwarteng's raft of tax cuts increased inflation concerns and fears that aggressive rate hikes would ensue. The pound hit a record low as investors reacted to Kwarteng's mini-budget, which included a much bigger package of tax cuts than had been expected and raised concerns about a surge in government borrowing. The Bank of England was forced to start a temporary programme of bond purchases to stabilise the long-dated end of the gilt market.

# **THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

## **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023**

### **Achievements and performance (continued)**

After an encouraging start to 2023, stock markets fell back in February as the 'good news is bad news' narrative gained the upper hand and strong economic data pointed towards more interest rate rises. There was a challenging few weeks in March as the failure of a US regional bank was enough to create some alarm in markets that still remember the 2008/09 Global Financial Crisis.

It has been a challenging year due to the type of stocks that have outperformed. All sectors have substantially underperformed the huge gains from energy and it has been hard for balanced portfolios to match this narrowly-based trend. Bond markets have fallen significantly more than equities and, overall, there has been an extreme dislocation in global asset classes which has led to corresponding weakness in the US dollar. A strong dollar made a positive contribution to performance in the first half of the period but a rally in the pound, off the record lows reached in the aftermath of the UK 'mini-budget', affected the return in the latter six months and the US represents a larger allocation in the portfolio. The portfolio fell 5.9% over the year but has produced annualised returns of 4.8% over the last five years.

### **Financial review**

#### **• Going concern**

Although Trustees did have some concern about the level of the income from the Estate Management Charity which is made up principally of funds from commercial lettings because commercial tenants have been affected by COVID-19, they are satisfied that rental income is now made up as they would expect and therefore, they are satisfied that the Charity has the resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

#### **• Reserves policy**

It is the Trustees' policy to maintain free reserves at a level equating to around six months of charitable expenditure. At the year end the free reserves, after taking account of £250,000 designated for major planned property expenditure, stand at £228,030 (2022: £266,714). This level of free reserves is equivalent to approximately seven months' charitable expenditure and so is slightly above the targeted level.

#### **• Financial review**

In seeking to achieve the Charity's Objectives the Trustees monitor the level of void weeks i.e. weeks where a property is unoccupied. During the financial year there was the equivalent of 252 void weeks (83 in 2021/2022) amounting to a reduction of £19,516 (£6,462 in 2021/2022) on maximum contributions collectable. Arrears outstanding at the financial year end were £4,647 (2022: £4,328).

The income of the Charity for the year amounts to £416,821 (2022: £407,544) and operating costs of £394,998 (2022: £394,425) leaving a surplus of £21,823: £13,119) before taking account of realised and unrealised gains on investments.

#### **• Principal funding**

The major sources of income of the Charity are from the St Mary the Virgin Estate Management Charity and weekly contributions from the residents. Both the Estate Management Charity and this Charity are constituted within the same scheme of the Charity Commissioners.

The Charity's legacy income from the Estate Management Charity has returned to previous levels and in addition the Almshouses have begun to fill the voids.

# THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### • Value for money

In accordance with the Value for Money Standard introduced by the Regulator of Social Housing in April 2018 we set out below the Charity's performance against our value for money targets by reference to a series of seven metrics set by the Regulator which seek to measure economy, efficiency and effectiveness.

Value for Money Metric	Target 2024	Actual 2023	Target 2023	Actual 2022
<b>One - Reinvestment %</b>	10.4%	4.4%	2.3%	2.3%

Commentary – the reinvestment percentage is calculated by reference to works to the existing properties divided by the net book value of housing properties at deemed cost. No new properties were developed or acquired and there is no capitalised interest. The figure increased although there were no major repair works in 2023. The Trustees anticipate there will be major repair works in 2024. There are no new developments planned.

### Two - New Supply %

Social housing units delivered	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
Non-social housing units delivered	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>

Commentary – the Trustees have no plans to increase the number of social housing units or to deliver any non-social housing units.

<b>Three - Gearing %</b>	3.5%	-2.7%	-4.5%	-5.1%
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Commentary – previously the Charity had no debt and so a negative gearing figure is arrived at by dividing the Charity's cash at bank by the net book value of housing properties at deemed cost. The Trustees plan to borrow £100,000 from the Almshouses Association to assist with the finance of planned major repair works in 2024.

<b>Four – EBITDA MRI Interest cover %</b>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
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Commentary – previously the Charity has no borrowing and as explained at three above the Trustees intend to borrow £100,000.

<b>Five – Headline social housing cost</b>	£11,478	£7,301	£6,875	£6,544
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Commentary – the cost has increased in the year due to expenditure on planned major maintenance and repair works being incurred which are expected to continue into 2024.

### Six – Operating margin %

Overall = social housing lettings	-100.3%	-62.0%	-62.0%	-54.0%
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Commentary – the percentages are negative as a result of the Charity's income from other sources which means that it can subsidise the social housing which result in operating deficits. The negative percentage increased due to direct costs increasing more than income. While the Trustees anticipate that the Charity will continue to benefit from other sources of income being available to subsidise the social housing costs they are anticipating significant increases in utility costs.

<b>Seven – Return on capital employed %</b>	-9.5%	-4.9%	-4.8%	-4.3%
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Commentary – the percentages are negative as explained in metric six. The negative percentage increased slightly due to an decrease in revenue primarily arising from an increase in the voids.

The Trustees are unaware of any Registered Social Housing Providers with similar funding arrangements to this Charity and therefore believe that there are no meaningful benchmark comparisons available.

# **THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

## **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023**

### **Structure, governance and management**

#### **• Constitution**

The Hospital of St Mary the Virgin (Rye Hill and Benwell) Almshouses Charity is a registered charity, number 216275, and is constituted under a Trust deed.

The objective of the Charity is to provide inexpensive sheltered accommodation for poor men over the age of 50 years referred to as "residents".

The Charity scheme has been approved by the Charity Commissioners for England and Wales and is governed by the rules contained in the scheme dated 2 April 1979.

#### **• Methods of appointment or election of Trustees**

The Trustees comprise non-executive members with a wide range of commercial and professional experience.

The Trustees meet quarterly, setting and monitoring strategy and performance, ensuring adequate funding and formulating policy on key issues. In addition sub-committees meet between the main Trustees meetings to discuss strategy and review policies in their respective areas of skills and interest. Day to day management of the Charity is delegated to the Business Manager and Clerk to the Trustees.

The body of Trustees shall consist of:

- Three Nominative Trustees, one appointed by the Bishop of Newcastle and two by Newcastle upon Tyne City Council; and
- No fewer than seven Co-optive Trustees appointed by a resolution of the Almshouses Trustees passed at a special meeting.

The Trustees who served during the year are shown in the Reference and Administrative information.

#### **• Organisational structure and decision-making policies**

The Trustees are responsible for establishing and maintaining the Charity's system of internal financial control. Internal control systems are designed to meet the particular needs of the Charity and the risks to which it is exposed, and by their nature can provide reasonable but not absolute assurance against material misstatement or loss. The key procedures which the Trustees have established with a view to providing effective internal financial control are as follows:

- clearly defined management and reporting structures;
- detailed standing orders including limits on spending authority;
- management information and accounting systems with regular reporting of financial results;
- business planning process; and
- review of internal and external audit functions.

The Trustees regularly reviewed the effectiveness of the system of internal financial control as it operated during the year.

# **THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

## **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023**

### **Structure, governance and management (continued)**

#### **● Policies adopted for the induction and training of Trustees**

Upon appointment Trustees are given copies of the Charity Commission Scheme, the accounts and the minutes of meetings of the Trustees. They are also supplied with the Charity Commission booklet in relation to the responsibility of Charity Trustees. Trustees are appointed for their particular skills in dealing with a Charity of this nature.

New Trustees will be requested to undergo DBS checks and to engage in periodic updating of safeguarding training.

#### **● Pay policy for staff**

All staff irrespective of seniority have annual salary reviews which have regard for benchmarking and other parameter. Where salary changes are granted they take effect from the following 1 April.

#### **● Financial risk management**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks. The Trustees consider that the major factors likely to affect the future financial performance of the Charity are the levels of occupancy, weekly contributions levied and investment performance including the levels of income received from the St. Mary the Virgin Estate Management Charity.

### **Plans for future periods**

The Trustees intend to maintain the existing accommodation units to a high standard including some major repairs in 2024 but have no plans to increase the number of units made available.



# THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### Statement of Trustees' responsibilities

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 affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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 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.

### Disclosure of information to auditors

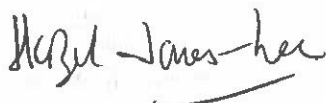
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that the Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

### Auditors

The auditors, Kinnair Associates Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 29 September 2023 and signed on their behalf by:



**Dr Hazel Jones-Lee**

## **THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

#### **Opinion**

We have audited the financial statements of The Hospital of St Mary the Virgin (Rye Hill and Benwell) Almshouses Charity (the 'charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council'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.



## **THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY (CONTINUED)**

#### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Matters on which we are required to report by exception**

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

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records 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 which 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.

## **THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY (CONTINUED)**

#### **Auditors' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- 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 other management, and from our commercial knowledge and experience of the registered social housing providers 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 et seq., the Charities (Protection and Social Investment) Act 2016, the Trustees Acts 1925 and 2000, Charity Commission regulations and the Statement of Recommended Practice for Social Housing Providers 2018.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured that the 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 and their knowledge of actual, suspected and alleged fraud; and
- 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 to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the notes to the financial statements are indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which include, but are not limited to: -

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators [Regulator of Social Housing] and the Charity's legal advisors.

**THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY (CONTINUED)**

There are inherent limitations in our anticipated 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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 Auditors' 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 its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

*Kinnair Associates Limited*

**Kinnair Associates Limited**

Chartered Accountants  
Registered Auditor

Aston House

Redburn Road

Newcastle upon Tyne

NE5 1NB

29 September 2023

Kinnair Associates Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

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

	<b>Note</b>	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
<b>Income from:</b>				
Donations and legacies	3	189,517	189,517	178,566
Charitable activities	4	215,593	215,593	219,505
Investments	5	11,711	11,711	9,473
<b>Total income</b>		<b>416,821</b>	<b>416,821</b>	<b>407,544</b>
<b>Expenditure on:</b>				
Raising funds	6	3,056	3,056	3,390
Charitable activities	7	391,942	391,942	391,035
<b>Total expenditure</b>		<b>394,998</b>	<b>394,998</b>	<b>394,425</b>
<b>Net income before net (losses)/gains on investments</b>		<b>21,823</b>	<b>21,823</b>	<b>13,119</b>
Net (losses)/gains on investments		(43,035)	(43,035)	20,160
<b>Net movement in funds</b>		<b>(21,212)</b>	<b>(21,212)</b>	<b>33,279</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward		2,758,391	2,758,391	2,725,112
Net movement in funds		(21,212)	(21,212)	33,279
<b>Total funds carried forward</b>		<b>2,737,179</b>	<b>2,737,179</b>	<b>2,758,391</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 37 form part of these financial statements.

**THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

**SUMMARY INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2023**

	<b>Note</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Income		<b>416,821</b>	<b>407,544</b>
Losses/(gains) on investments		<b>(43,035)</b>	<b>20,160</b>
<b>Gross income in the reporting period</b>		<b>373,786</b>	<b>427,704</b>
Less: Total expenditure		<b>(394,998)</b>	<b>(394,425)</b>
<b>Net expenditure/(income) for the reporting period</b>		<b>(21,212)</b>	<b>33,279</b>

The notes on pages 18 to 37 form part of these financial statements.

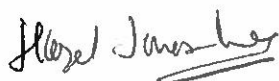
**THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

**BALANCE SHEET  
AS AT 31 MARCH 2023**

	<b>Note</b>	<b>2023 £</b>	<b>2022 £</b>
<b>Fixed assets</b>			
Tangible assets	15	2,259,149	2,241,677
Investments	16	486,060	521,773
		<u>2,745,209</u>	<u>2,763,450</u>
<b>Current assets</b>			
Debtors	17	60,613	36,499
Cash at bank and in hand		61,741	115,191
		<u>122,354</u>	<u>151,690</u>
Creditors: amounts falling due within one year	18	(32,111)	(44,438)
<b>Net current assets</b>		<u>90,243</u>	<u>107,252</u>
<b>Total assets less current liabilities</b>		<u>2,835,452</u>	<u>2,870,702</u>
Provisions for liabilities		(98,273)	(112,311)
<b>Total net assets</b>		<u>2,737,179</u>	<u>2,758,391</u>
<b>Charity funds</b>			
Unrestricted funds	21	2,737,179	2,758,391
<b>Total funds</b>		<u>2,737,179</u>	<u>2,758,391</u>

The financial statements were approved and authorised for issue by the Trustees on 29 September 2023 and signed on their behalf by:

Dr Hazel Jones-Lee



Alan Birkmyre  
Mr Richard Metcalfe



The notes on pages 18 to 37 form part of these financial statements.

# THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 1. General information

The Hospital of St Mary the Virgin (Rye Hill and Benwell) Almshouses Charity is a registered charity, number 216275. The Charity is unincorporated and its registered office is 5 - 7 Osborne Terrace, Newcastle upon Tyne, NE2 1SQ.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with the Housing SORP 2018: Statement of Recommended Practice (SORP) for Registered Social Housing Providers, the Charities SORP (FRS 102) - 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

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 Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Hospital of St Mary the Virgin (Rye Hill and Benwell) Almshouses Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

#### 2.2 Going concern

The Trustees have considered the potential financial effects including those arising from the COVID-19 pandemic on the availability of cash and reserves and the consequent bearing on the use of the going concern basis of preparation of the financial statements. Whilst the Charity suffered higher than normal voids during the pandemic the Trustees have concluded that the Charity has sufficient cash and reserves to sustain it for the foreseeable future. The Trustees are therefore satisfied that it is appropriate for them to prepare these financial statements on the basis that the Charity continues to be a going concern.

#### 2.3 Income

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

Social Housing Lettings, described as "contributions from residents", are accounted for on an accruals basis.

Income from cash deposits is accounted for on an accruals basis. Income from all other investments is taken into account on a receivable basis.

Income from the sister Charity, St Mary the Virgin Estate Management Charity, is recognised on a receivable basis.

**THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	<b>42,686</b>	<b>83,899</b>
<b>Cash flows from investing activities</b>		
Dividends, interests and rents from investments	<b>11,711</b>	<b>9,473</b>
Purchase of tangible fixed assets	<b>(100,525)</b>	<b>(50,826)</b>
Proceeds from sale of investments	<b>31,250</b>	<b>28,462</b>
Purchase of investments	<b>(38,572)</b>	<b>(34,819)</b>
<b>Net cash used in investing activities</b>	<b>(96,136)</b>	<b>(47,710)</b>
<b>Cash flows from financing activities</b>		
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>-</b>
<b>Change in cash and cash equivalents in the year</b>	<b>(53,450)</b>	<b>36,189</b>
Cash and cash equivalents at the beginning of the year	<b>115,191</b>	<b>79,002</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>61,741</b>	<b>115,191</b>

The notes on pages 18 to 37 form part of these financial statements



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

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs of generating funds are those costs incurred in attracting voluntary income.

Charitable activities and Governance costs are costs incurred on the upkeep and management of the two Almshouses including support costs and costs relating to the administration of the Charity and compliance with constitutional and statutory requirements.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating property costs by floor areas, or per capita, staff cost by the time spent and other costs by their usage.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost (or deemed cost) less depreciation.

As permitted by the Housing Association SORP 2014, the charitable trust elected to measure properties at their fair value on the date of transition to the SORP and use that fair value as deemed cost at that date.

Depreciation is not charged on freehold land. Depreciation on other tangible assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their estimated useful lives using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2%
Fixtures and fittings	-	10%
Freehold property improvements	-	7%

Depreciation on freehold property is based on their fair value at valuation at 1 April 2014. Freehold property is being depreciated over 50 years from the transition date (1 April 2014).

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

**2. Accounting policies (continued)**

**2.7 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

**2.8 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.9 Cash at bank and in hand**

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

**2.10 Liabilities**

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

**2.11 Social housing grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the statement of financial activities as the related expenditure is incurred.

**2.12 Financial Instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.13 Fund accounting**

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.

Investment income, gains and losses are allocated to the appropriate fund.

**THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

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

**3. Income from donations and legacies**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>
Donations	2	2
St Mary the Virgin Estate Management Charity	189,515	189,515
	<u>189,517</u>	<u>189,517</u>

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
St Mary the Virgin Estate Management Charity	178,566	178,566
	<u>178,566</u>	<u>178,566</u>

**4. Income from charitable activities**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>
Contributions from residents	215,593	215,593
	<u>215,593</u>	<u>215,593</u>

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Contributions from residents	219,505	219,505
	<u>219,505</u>	<u>219,505</u>

**THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

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

**5. Investment income**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>
Dividends and interest on investments	11,300	11,300
Bank deposit interest	411	411
	<u>11,711</u>	<u>11,711</u>

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Dividends and interest on investments	9,466	9,466
Bank deposit interest	7	7
	<u>9,473</u>	<u>9,473</u>

**6. Investment management costs**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>
Investment management fees	<u>3,056</u>	<u>3,056</u>

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Investment management fees	<u>3,390</u>	<u>3,390</u>

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

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Total 2023 £
Direct costs - Provision of sheltered accommodation	391,942	391,942

	Unrestricted funds 2022 £	Total 2022 £
Direct costs - Provision of sheltered accommodation	391,035	391,035

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Direct costs - Provision of sheltered accommodation	349,327	42,615	391,942

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Direct costs - Provision of sheltered accommodation	338,062	52,973	391,035

**THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

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

**8. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Direct costs - Provision of sheltered accommodation 2023 £</b>	<b>Total funds 2023 £</b>
Staff costs	105,840	105,840
Depreciation	83,053	83,053
Water rates	15,632	15,632
Insurance	5,545	5,545
Lighting and heating	49,205	49,205
Repairs and maintenance	62,264	62,264
Upkeep of grounds	14,934	14,934
Cleaning and laundry	3,233	3,233
Warden call system	12,480	12,480
Sundries	3,686	3,686
Clerk's salary	7,493	7,493
Housing Association grant released	(14,038)	(14,038)
	<u>349,327</u>	<u>349,327</u>

THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY

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

8. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Direct costs - Provision of sheltered accommodation 2022 £	Total funds 2022 £
Staff costs	107,808	107,808
Depreciation	76,339	76,339
Water rates	13,992	13,992
Insurance	5,291	5,291
Lighting and heating	64,044	64,044
Repairs and maintenance	49,380	49,380
Upkeep of grounds	11,926	11,926
Cleaning and laundry	2,140	2,140
Warden call system	13,104	13,104
Sundries	569	569
Clerk's salary	7,507	7,507
Housing Association grant released	(14,038)	(14,038)
	<u>338,062</u>	<u>338,062</u>

Analysis of support costs

	Direct costs - Provision of sheltered accommodation 2023 £	Total funds 2023 £
Staff costs	19,827	19,827
Sundry expenses	443	443
Postage, stationery and advertising	4,147	4,147
Subscriptions	4,012	4,012
Bank charges	846	846
Consultancy and training	90	90
Office insurance	687	687
Professional fees	3,045	3,045
Governance costs	9,518	9,518
	<u>42,615</u>	<u>42,615</u>

**THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

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

**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs (continued)**

	<i>Direct costs - Provision of sheltered accommodation 2022 £</i>	<i>Total funds 2022 £</i>
Staff costs	15,692	15,692
Sundry expenses	2,583	2,583
Postage, stationery and advertising	2,326	2,326
Subscriptions	2,467	2,467
Bank charges	843	843
Consultancy and training	120	120
Office insurance	623	623
Professional fees	16,308	16,308
Governance costs	12,011	12,011
	<hr/>	<hr/>
	52,973	52,973
	<hr/>	<hr/>

Governance costs included above comprise:

	<b>2023 £</b>	<b>2022 £</b>
Auditors remuneration	7,020	9,509
Clerk's fees	2,498	2,502
	<hr/>	<hr/>
	9,518	12,011
	<hr/>	<hr/>



**THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

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

**9. Schedule of outgoings on properties - 31 March 2023**

	<b>Rye Hill Homes</b>	<b>Thomas Horsley House</b>	<b>2023</b>
	£	£	£
Water rates	5,351	10,281	15,632
Insurance	2,395	3,150	5,545
Lighting and heating	17,967	31,238	49,205
Repairs and maintenance	26,395	35,869	62,264
Upkeep of grounds	5,270	9,664	14,934
Cleaning and laundry	621	2,612	3,233
Warden call system	3,783	8,697	12,480
Sundries	1,537	2,149	3,686
Clerk's fees	3,246	4,247	7,493
Housing Association grant received	-	(14,038)	(14,038)
Wages and salaries	41,005	64,835	105,840
Depreciation	<u>43,768</u>	<u>39,285</u>	<u>83,053</u>
	<u><u>151,338</u></u>	<u><u>197,989</u></u>	<u><u>349,327</u></u>

**Schedule of outgoings on properties - 31 March 2022**

	<b>Rye Hill Homes</b>	<b>Thomas Horsley House</b>	<b>2022</b>
	£	£	£
Water rates	4,826	9,166	13,992
Insurance	2,603	2,688	5,291
Lighting and heating	28,984	35,060	64,044
Repairs and maintenance	20,285	29,095	49,380
Upkeep of grounds	4,459	7,467	11,926
Cleaning and laundry	369	1,771	2,140
Warden call system	3,845	9,259	13,104
Sundries	538	31	569
Clerk's fees	3,620	3,887	7,507
Housing Association grant received	-	(14,038)	(14,038)
Wages and salaries	44,188	63,620	107,808
Depreciation	<u>41,518</u>	<u>34,821</u>	<u>76,339</u>
	<u><u>155,235</u></u>	<u><u>182,827</u></u>	<u><u>338,062</u></u>

**THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

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

**10. Auditors' remuneration**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Fees payable to the Charity's current auditor for the audit of the Charity's annual accounts	<b>5,200</b>	<b>6,100</b>
Fees payable to the Charity's previous auditor for the audit of the Charity's annual accounts	<b>-</b>	<b>2,189</b>

**11. Staff costs**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>121,842</b>	<b>118,584</b>
Social security costs	<b>3,825</b>	<b>4,916</b>
	<b>125,667</b>	<b>123,500</b>

The average number of persons employed by the Charity during the year was as follows:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Number of employees	<b>7</b>	<b>7</b>

The average headcount expressed as full-time equivalents was:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Number of employees	<b>5</b>	<b>5</b>

No employee received remuneration amounting to more than £60,000 in either year.

Key management remuneration, being costs relating to the Manager and the Clerk to the Trustees, amounted to £44,577 (2022: £35,932).

**12. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 - £NIL).

**THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

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

**13. Net (losses)/gains on investments**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
(Losses)/gains on disposal of share investment assets	<b>(4,053)</b>	<b>1,811</b>
(Losses)/gains on revaluations of share investment assets	<b>(38,982)</b>	<b>18,349</b>
	<u><b>(43,035)</b></u>	<u><b>20,160</b></u>

**14. Income from lettings**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Maximum contributions receivable	<b>235,109</b>	<b>225,967</b>
Less: Voids	<b>(19,516)</b>	<b>(6,462)</b>
	<u><b>215,593</b></u>	<u><b>219,505</b></u>

**Number of units**

The units of accommodation for disadvantaged people let at social rent are: -

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Thomas Horsley House	<b>40</b>	<b>40</b>
Rye Hill	<b>18</b>	<b>18</b>
	<u><b>58</b></u>	<u><b>58</b></u>

The Charity, being an almshouse charity, does not create any form of assured tenancy in favour of residents. The position is made clear to each resident when they take up occupation of any property owned by the Charity.

**THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

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

**15. Tangible fixed assets**

	<b>Freehold property £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 April 2022	2,684,262	270,003	2,954,265
Additions	6,288	94,237	100,525
At 31 March 2023	<u>2,690,550</u>	<u>364,240</u>	<u>3,054,790</u>
<b>Depreciation</b>			
At 1 April 2022	472,085	240,503	712,588
Charge for the year	72,950	10,103	83,053
At 31 March 2023	<u>545,035</u>	<u>250,606</u>	<u>795,641</u>
<b>Net book value</b>			
At 31 March 2023	<u>2,145,515</u>	<u>113,634</u>	<u>2,259,149</u>
At 31 March 2022	<u>2,212,177</u>	<u>29,500</u>	<u>2,241,677</u>

Included in freehold property, plant and equipment is freehold land at deemed cost of £450,000 (2022 - £450,000) which is not depreciated and freehold buildings at deemed cost of £1,900,000 (2022 - £1,900,000). The Freehold Properties were revalued by Woodruff & Co. Chartered Surveyors using a fair value basis valuation to establish a deemed cost on transition to FRS102 and the Statement of Recommended Practice for Social Housing Providers 2014.

The historic cost of these properties is £981,266 which comprises £195,594 for the revitalisation of Rye Hill and £785,672 for the construction of Thomas Horsley House.

**THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

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

**16. Fixed asset investments**

	<b>Listed Investments £</b>	<b>Other fixed asset investments £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 April 2022	503,895	17,878	521,773
Additions	35,064	3,508	38,572
Disposals	(35,303)	-	(35,303)
Revaluations	(38,982)	-	(38,982)
 At 31 March 2023	<u>464,674</u>	<u>21,386</u>	<u>486,060</u>
 <b>Net book value</b>			
At 31 March 2023	<u>464,674</u>	<u>21,386</u>	<u>486,060</u>
At 31 March 2022	<u>503,895</u>	<u>17,878</u>	<u>521,773</u>

All the fixed asset investments are held in the UK.

**17. Debtors**

	<b>2023 £</b>	<b>2022 £</b>
<b>Due within one year</b>		
Trade debtors	4,647	4,328
St Mary the Virgin Estate Management Charity	36,775	22,570
Prepayments and accrued income	19,191	9,601
	<u>60,613</u>	<u>36,499</u>

Trade debtors represent gross social housing rent arrears.

**18. Creditors: Amounts falling due within one year**

	<b>2023 £</b>	<b>2022 £</b>
Trade creditors	2,562	8,262
Other creditors	-	858
Accruals and deferred income	29,549	35,318
	<u>32,111</u>	<u>44,438</u>

**THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

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

**19. Financial instruments**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	<b>464,674</b>	<b>503,895</b>

Financial assets measured at fair value through income and expenditure comprise quoted investments stated at market value.

**20. Accruals and deferred income**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Government Grants	<b>98,273</b>	<b>112,311</b>

On transition to the accounting policies, required by the Statement of Recommended Practice for Social Housing Providers 2014, the element of the Social Housing Grant relating to Thomas Horsley House which was still to be released to the Statement of Financial Activities was transferred to accruals and deferred income to be released over the estimated useful life of the building at the time of the expenditure (which was 50 years).

The remainder of this grant together with the full Social Housing Grant received for refurbishment of Rye Hill has been taken to unrestricted funds to reflect the value of the grants that in accordance with the requirements of the Statement of Recommended Practice for Social Housing Providers 2014 would have been released to the Statement of Financial Activities if those accounting requirements had been in place from the time of the expenditure.

The amounts shown as deferred income are included in the amounts disclosed as contingent liabilities.

THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY

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

21. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
<b>Unrestricted funds</b>						
Revaluation reserve	711,267	-	-	(12,627)	-	698,640
Major planned expenditure reserve	250,000	-	-	-	-	250,000
General Funds	1,797,124	416,821	(394,998)	12,627	(43,035)	1,788,539
	<u>2,758,391</u>	<u>416,821</u>	<u>(394,998)</u>	<u>-</u>	<u>(43,035)</u>	<u>2,737,179</u>

Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>						
Revaluation reserve	723,894	-	-	(12,627)	-	711,267
Major planned expenditure reserve	200,000	-	-	50,000	-	250,000
General Funds	1,801,218	407,544	(394,425)	(37,373)	20,160	1,797,124
	<u>2,725,112</u>	<u>407,544</u>	<u>(394,425)</u>	<u>-</u>	<u>20,160</u>	<u>2,758,391</u>

**THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

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

**22. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>
Tangible fixed assets	2,259,149	<b>2,259,149</b>
Fixed asset investments	486,060	<b>486,060</b>
Current assets	122,354	<b>122,354</b>
Creditors due within one year	(32,111)	<b>(32,111)</b>
Provisions for liabilities and charges	(98,273)	<b>(98,273)</b>
<b>Total</b>	<u><u>2,737,179</u></u>	<u><u>2,737,179</u></u>

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	2,241,677	2,241,677
Fixed asset investments	521,773	521,773
Current assets	151,690	151,690
Creditors due within one year	(44,438)	(44,438)
Provisions for liabilities and charges	(112,311)	(112,311)
<b>Total</b>	<u><u>2,758,391</u></u>	<u><u>2,758,391</u></u>



**THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY**

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

**23. Reconciliation of net movement in funds to net cash flow from operating activities**

	2023 £	2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(21,212)	33,279
<b>Adjustments for:</b>		
Depreciation charges	83,053	76,339
Losses/(gains) on investments	43,035	(20,160)
Dividends, interests and rents from investments	(11,711)	(9,473)
Decrease/(increase) in debtors	(24,377)	10,362
Increase/(decrease) in creditors	(12,064)	7,590
Release of grant	(14,038)	(14,038)
<b>Net cash provided by operating activities</b>	<b>42,686</b>	<b>83,899</b>

**24. Analysis of cash and cash equivalents**

	2023 £	2022 £
Cash in hand	61,741	115,191
<b>Total cash and cash equivalents</b>	<b>61,741</b>	<b>115,191</b>

**25. Analysis of changes in net debt**

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	115,191	(53,450)	61,741
	<b>115,191</b>	<b>(53,450)</b>	<b>61,741</b>

# THE HOSPITAL OF ST MARY THE VIRGIN (RYE HILL AND BENWELL) ALMSHOUSES CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 26. Contingent liabilities

The charitable trust has in earlier years received Social Housing Grants from the precursor of the Regulator of Social Housing to fund the purchase and refurbishment of freehold properties as follows:

Thomas Horsley House £701,923; and  
Rye Hill £193,097.

There is no time limit for repayment of these grants if a relevant event occurs to trigger repayment. Such events would include the properties being sold, a change of use or if the registered housing provider were to de-register. The Trustees do not anticipate any of these events occurring in the foreseeable future. An unexpired portion of the grant is included in deferred income.

### 27. Capital commitments

	2023 £	2022 £
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	-	33,325

### 28. Operating lease commitments

At 31 March 2023 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	2,476	2,221
Later than 1 year and not later than 5 years	6,874	7,215
Later than 5 years	2,317	3,142
	<b>11,667</b>	<b>12,578</b>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2023 £	2022 £
Operating lease rentals	2,297	1,266

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

**29. Related party transactions**

The Charity is constituted under a Trust Deed called the Hospital of Saint Mary the Virgin, in the City of Newcastle upon Tyne, in the County of Tyne and Wear.

It is organised into two separate Charities named the Hospital of St. Mary the Virgin (Rye Hill and Benwell) Almshouses Charity referred to as the "Almshouses Charity" and the St. Mary the Virgin Estate Management Charity referred to as the "Estate Management Charity".

Income received by this Charity from the Estate Management Charity is shown on the Statement of Financial Activities. The amount due from the Estate Management Charity at the year end is shown in debtors due within one year.

Tim Gray (Clerk to the Trustees) is a consultant to Mincoffs solicitors. During the year ended 31 March 2023, Mincoffs provided legal services to the Charity amounting to £2,340 (2022: £3,420).