

**HENRY BURTON
ALMSHOUSE CHARITY**

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

**For the year ended
31st March 2021**

HENRY BURTON ALMSHOUSE CHARITY**ANNUAL REPORT AND FINANCIAL STATEMENTS**

For the year ended 31st March 2021

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HENRY BURTON ALMSHOUSE CHARITY**OFFICERS AND PROFESSIONAL ADVISORS**

For the year ended 31st March 2021

Welsh Government Registered Number:	A085
Registered Charity Number:	217319/5
Trustee:	Melin Homes Limited
Clerk to the Trustee:	Paula Kennedy
Registered Office:	T'yr Efail Lower Mill Field Pontypool Torfaen NP4 0XJ
Managing Agents:	Melin Homes Limited T'yr Efail Lower Mill Field Pontypool Torfaen NP4 0XJ
Auditors:	Haines Watts Wales LLP Chartered Accountants & Statutory Auditors 7 Neptune Court Vanguard Way Cardiff CF 24 5PJ
Bankers:	Barclays Bank Plc PO Box 1015 3rd Floor, Windsor Court 3 Windsor Place, Cardiff CF10 3ZL
Solicitors:	Blake Morgan Llys Tawe Kings Road SA1 Swansea Waterfront Swansea, SA1 8PG

HENRY BURTON ALMSHOUSE CHARITY

REPORT OF THE TRUSTEE

For the year ended 31 March 2021

The Trustee presents its report and the audited financial statements for the year ended 31 March 2021.

Trustee

The present Trustee is Melin Homes Limited.

Organisation and Structure

The Henry Burton Almshouse Charity is a Registered Social Landlord governed by a trust deed. The Trustee aims to continue to let the 32 self contained units to the elderly. The Almshouse employs no staff as it is fully managed by Melin Homes Limited. The Trustee is responsible for the running, administration and maintenance of its properties.

Risk Management

The Trustee reviews the Charity's activities at Board meetings and they have assessed the risks to which the Charity is exposed. As part of this process, the Trustee has implemented a risk management strategy which comprises both financial control and stock maintenance.

The Trustee acknowledges its responsibility for ensuring that the Charity has in place a system of controls that is appropriate to the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:

- (a) The reliability of financial information used.
- (b) The maintenance of proper accounting records.
- (c) The safeguarding of assets against unauthorised use or disposition.

The Trustee has adopted a reserves policy considered sufficient to fund future repairs to the properties.

The Trustee is satisfied that adequate resources are available to continue in the foreseeable future and at present see no reason for the situation to change.

Objectives and activities

The objective of the charity is to benefit the almspeople being poor persons of good character who (except in special cases to be approved by the charity trustees) reside in the area of benefit. The benefitting areas being Caerwent, Monmouth and Newport. The activities this year continued to reflect the aims and objectives of the Charity. Central to this ethos was keeping rent/service charge levels at affordable levels, the properties well maintained and retaining a high occupancy rate, whilst maintaining the financial well being of the Charity. The Trustees intend to continue running the Charity in accordance with its aims and objectives as outlined above.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. We review our aims, objectives and activities each year. This review looks back at what we achieved and the outcomes of our work in the previous year. This review helps us ensure our aims, objectives and activities are focused on our stated purposes.

Investment Policy

The Trustee has considered the most appropriate policy for investing funds and have found that specialised unit trusts designated for the Charity Sector meet their requirement to generate both income and capital growth. The investments have been valued as at the 31st March 2021 and in total stand at £971,158. This is £214,803 higher than at 31st March 2020. £517,301 of the portfolio is held in Accumulation Shares and £453,857 in Income Shares.

Plans for future periods

There are no planned future changes in the activities of the almshouses.

Activities and Financial Review for the year

The Almshouse continued to let all 32 units during the year with voids amounting to £618 (2020: £1,135).

The surplus for the year, was £230,468 (2020: deficit £14,926).

Covid-19

Coronavirus (Covid-19) Pandemic Risk: It is impossible to predict either the likely duration of the current Coronavirus pandemic or to be definitive about its financial impact on the world's major economies, including the UK. However, we are confident that the Almshouses is able to withstand these pressures and will continue to provide services to its residents, albeit in a restricted manner at present.

Responsibility of the Trustee

The Trustee is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The financial statements have been prepared in accordance with the Trust Deed, the Statement of Recommended Practice "Accounting for Registered Social Housing Providers" updated 2018, the Accounting requirements for Social Landlords registered in Wales General Determination 2015, the Housing Act 1996 and the Charities Act 2011.

The Trustee maintains a system of internal financial control, including suitable monitoring procedures to review its effectiveness. The system is designed to manage rather than eliminate risk of failure to achieve business objectives. However, any such

system can only provide reasonable, and not absolute, assurance against material misstatement or loss.

In fulfilling these responsibilities, the Trustee has reviewed the effectiveness of the system of identifying, evaluating and managing the significant risks on the basis of the principles of corporate governance contained in Community Housing Cymru (CHC) Code of Governance and Welsh Government housing circular RSL 02/10, Internal Controls and Reporting. The Trustee has considered all of the major business and financial risks.

No weaknesses in internal control have been found which would result in any material losses, contingencies or uncertainties which would require disclosure as recommended by the above mentioned circular.

On the basis that a system can provide only reasonable, but not absolute assurance and that it relates to the needs of the business, the system as a whole was found at the time of approving the financial statements to be generally appropriate to the scale of the Trustee's activities.

In preparing those financial statements the Trustee is required to select suitable accounting policies, as described on page 9, and then to apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The Trustee must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the relevant legislation. The Trustee is responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

In so far as the Trustee is aware, there is no relevant audit information of which the Charity's auditors are unaware and the Trustee has taken all steps that they ought to have taken to make them self aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

A resolution to re-appoint the auditors, Haines Watts Wales LLP will be proposed by the Trustee at the Board meeting of Melin Homes Limited.

By Order of Melin Homes Limited; acting as Trustee

Clerk to the Trustee


Paula Kennedy

14 July 2021

Independent Auditor's Report to the Members of Henry Burton Almshouse Charity

Opinion

We have audited the financial statements of Henry Burton Almshouse Charity (the 'Charity') for the year ended 31 March 2021 which comprise the Consolidated Statement of comprehensive income, Consolidated Statement of Financial Position, Consolidated Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2021 and of 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, schedule 1 to the Housing and Regeneration Act 2008 and The Accounting requirements for Registered Social Landlords General Determination (Wales) 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the boards' 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 board with respect to going concern are described in the relevant sections of this report.

Other information

The Board is responsible for the other information. The other information comprises the information included in the 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 this regard.

Opinion on the matters prescribed under Housing Association Circular RSL 02/10 "Internal controls and reporting"

In our opinion, with respect to the Board's statement on internal financial control:

- the Board has provided the disclosures required by the Circular and the statement is not inconsistent with the information of which we are aware from our audit work on the financial statements.

The impact of uncertainties on our audit owing to COVID -19

The Boards' view on the impact of COVID-19 is disclosed within the report of the board and accounting policies note 2.

Uncertainties related to the effects of COVID-19 are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability and valuation of assets, appropriateness of the going concern basis of preparation of the financial statements and associated disclosures.

All of these depend on assessments of the future economic environment and the charity's future prospects and performance.

The COVID-19 viral pandemic is one of the most significant economic events for the UK, and at the date of this report, its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown.

We have applied a standardised approach in response to that uncertainty when assessing the charity's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a charity and this is particularly the case in relation to the COVID-19 pandemic.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Act requires us to report to you if, in our opinion:

- the Charity has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the Charities 's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on page 10, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines 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 Board is responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our planning procedures identify the legal and regulatory frameworks applicable to the operations and financial statements of the Association. These are reviewed internally with the audit team including relevant industry experience and expectations as well as externally with the client management. The key laws and regulations we considered in this context were; Financial Report Standard (FRS) 102, Charities Act 2011, Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination (Wales) 2015.

Once identified, we assess the risks of material misstatements in relation to the laws and regulations, irregularities, including fraud and adjust our testing accordingly. Our audit procedures include:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but, except to the extent otherwise explicitly stated in our report, not for the purpose of expressing an opinion on the effectiveness of the Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularities likely involve collusion, forgery, intentional misrepresentation, or the override of internal controls.

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

Auditor's responsibilities in respect of the Housing for Wales Circular HFW 02/10 "Internal controls and reporting"

We review whether the Board's statement on internal financial control reflects the Charity's compliance with the Housing Association Circular RSL 02/10 "Internal controls and reporting" and we report whether the statement is not inconsistent with the information of which we are aware from our audit of the financial statements. We are not required to form an opinion on the effectiveness of the Charity's corporate governance procedures or its internal financial control.

Use of Report

This report is made solely to the Parent Association's members, as a body, in accordance with the requirements of the Charities Act 2011, the Housing and Regeneration Act 2008 and The accounting requirements for Registered Social Landlords General Determination (Wales) 2015. 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's members as a body, for our audit work, for this report, or for the opinions we have formed.



Haines Watts Wales LLP
Statutory Auditor
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

Date 20 September 2021

HENRY BURTON ALMSHOUSE CHARITY**Statement of Comprehensive Income**

For the year ended 31st March 2021


	Notes	2021 £	2020 £
Turnover	2	144,713	140,795
Less Operating costs	2	(104,551)	(124,298)
Operating surplus	3	<u>40,162</u>	<u>16,497</u>
Movement in fair value of financial instruments	7	177,134	(43,670)
Interest receivable and similar income	4	14,236	13,540
Interest payable and similar charges	5	(1,064)	(1,293)
Surplus for the year before taxation		<u>230,468</u>	<u>(14,926)</u>
Taxation		-	-
Surplus for the year after taxation		<u>230,468</u>	<u>(14,926)</u>
Total Comprehensive Income for the year		<u><u>230,468</u></u>	<u><u>(14,926)</u></u>

CONTINUING OPERATIONS

None of the association's activities were acquired or discontinued during the above two financial years.

The financial statements were approved by the Trustees on 14th July 2021 and were signed on its behalf by:

Clerk to the Trustee



Paula Kennedy

The notes on pages 9 to 18 form part of the financial statements.

HENRY BURTON ALMSHOUSE CHARITY**Statement of Changes in Reserves**

For the year ended 31st March 2021

Reserves	Extraordinary Repair Restricted Reserve £	Unrestricted Revenue Reserve £	Total £
At 1st April 2020	502,355	451,667	954,022
Deficit from statement of comprehensive Income	-	230,468	230,468
Transfers to restricted	37,669	(37,669)	-
Transfer of Revaluation on Restricted shares	177,134	(177,134)	-
At 31st March 2021	<u>717,158</u>	<u>467,332</u>	<u>1,184,490</u>

The use of the Extraordinary Repair Restricted Reserve is restricted by this scheme to expenditure on extraordinary repair, improvement or rebuilding of the Almshouses. The £717,158 value of the reserve is represented by investments with a historic cost of £173,329 and an unrealised surplus on investments of £543,829 of which a surplus of £177,134 occurred in 2020/21.

HENRY BURTON ALMSHOUSE CHARITY

Statement of Financial Position

As at 31st March 2021

	Notes	2021 £	2020 £
Fixed Assets			
Building Improvements			
• gross cost less depreciation	6	314,744	338,084
		314,744	338,084
Investments	7	971,158	756,355
		1,285,902	1,094,439
Current assets			
Debtors	8	5,367	4,131
Cash at Bank		127,217	104,571
		132,584	108,702
Current liabilities			
Creditors' amounts falling due within one year	9	(33,663)	(34,109)
Grants' amounts falling due within one year	10	(14,581)	(14,581)
		(48,244)	(48,690)
		84,340	60,012
Net current assets			
Total assets less current liabilities		1,370,242	1,154,451
Non-current liabilities			
Creditors' amounts falling due after more than one year	10	(11,185)	(11,281)
Grants' amounts falling due after more than one year	10	(174,567)	(189,148)
		(185,752)	(200,429)
Provisions for liabilities and charges	11	-	-
Net assets		1,184,490	954,022
Capital and Reserves			
Restricted Reserve		717,158	502,355
Revenue Reserve		467,332	451,667
		1,184,490	954,022

The financial statements were approved by the Trustee on 14th July 2021 and were signed on its behalf by

Clerk to the Trustee



Paula Kennedy

The notes on pages 9 to 18 form part of the financial statements

HENRY BURTON ALMSHOUSE CHARITY

CASH FLOW STATEMENT
Year Ended 31 March 2021

	Note	12m ended 31 Mar 2021	12m ended 31 Mar 2020
Net cash inflow from operating activities	1	<u>47,231</u>	<u>31,822</u>
Returns on investment and servicing of finance			
Interest paid		(1,064)	(1,293)
Interest received		14,236	13,540
Tax paid		<u>0</u>	<u>0</u>
Net cash inflow/(outflow) from returns on investment and servicing of finance		<u>13,172</u>	<u>12,247</u>
Capital expenditure and financial investment			
Purchase of investments		(37,669)	(21,388)
Government grants received		0	0
Grants repaid		0	0
Purchase of components		0	(7,399)
Sale of investments		0	2,740
Sale of housing properties and fixed asset investments		<u>0</u>	<u>0</u>
Homebuy loans		0	0
Net cash inflow/(outflow) from investing activities		<u>(37,669)</u>	<u>(26,047)</u>
Free cash inflow/(outflow) before financing		22,734	18,022
Financing			
Housing loans received		0	0
Housing loans repaid		<u>(88)</u>	<u>(4,045)</u>
Free cash (outflow)/inflow from financing		<u>(88)</u>	<u>(4,045)</u>
Increase in cash	2	<u><u>22,646</u></u>	<u><u>13,977</u></u>

HENRY BURTON ALMSHOUSE CHARITY**RECONCILIATION OF THE OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	12m ended 31 Mar 2021 £'000	12m ended 31 Mar 2020 £'000
1 Operating surplus	40,162	16,497
Depreciation of tangible assets	23,340	24,044
Surplus on sale of assets	0	0
(increase)/decrease in debtors	(1,236)	10,886
increase/(decrease) in creditors	(454)	(5,024)
Increase in stock	0	0
Non cash movement in pension	0	0
Amortisation of grant	(14,581)	(14,581)
Net cash inflow from operating activities	<u>47,231</u>	<u>31,822</u>

RECONCILIATION OF NET CASH FLOW MOVEMENT TO MOVEMENT IN NET DEBT

	12m ended 31 Mar 2021 £'000	12m ended 31 Mar 2020 £'000
2 (Decrease)/Increase in cash in the year	22,646	13,977
Cash inflow from changes in debt	88	4,045
Non cash movement on debt	0	0
Movement in net debt in the period	<u>22,734</u>	<u>18,022</u>
Net debt at start of year	93,202	75,180
Net debt at end of year	<u>115,936</u>	<u>93,202</u>

3 ANALYSIS OF CHANGES IN NET DEBT

	31 Mar 2020 £'000	Cash flows £'000	Non cash amendments	31 Mar 2021 £'000
Cash in hand and at bank	104,571	22,646	0	127,217
	<u>104,571</u>	<u>22,646</u>	<u>0</u>	<u>127,217</u>
Debt due in less than one year	(88)	(8)	-	(96)
Debt due in more than one year	(11,281)	96	0	(11,185)
Balance at end of year	<u>93,202</u>	<u>22,734</u>	<u>0</u>	<u>115,936</u>

HENRY BURTON ALMSHOUSE CHARITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2021

1 Principal Accounting Policies

a. Basis of Accounting

The financial statements are prepared under the historical cost convention, except for the investments which are stated at open market value. The statements are prepared in accordance with applicable financial reporting standards in the United Kingdom, including the Statement of Recommended Practice for "Accounting by Registered Social Housing Providers" as updated in 2018 (SORP 2018) and comply with the Accounting Requirements for Social Landlords Registered in Wales General Determination 2015.

b. Turnover

Turnover comprises rent and services charges.

c. Taxation

Henry Burton Almshouse is registered with charitable status. It benefits from corporation tax exemptions available to charitable bodies. On the basis that its activities fall within its charitable purposes and its funds are applied only for these purposes, no provision for corporation tax is made.

d. Investments

The investments are managed by professional managers. The portfolio is structured to provide income to help meet the objectives of the charity. The investment performance is monitored each year and adjustments made to correctly reflect the current value in the accounts.

e. Mortgages

Mortgage loans are advanced by National Westminster Bank Plc Markets trading as Fresh PLC under the terms of individual mortgage deeds in respect of the housing scheme. Advances are available only in respect of those developments which have been given approval for Social Housing Grant by the Welsh Government.

f. Social Housing Grant

Social Housing Grants (SHG) are made by the Welsh Government and are utilised to reduce the amount of mortgage loan in respect of an approved scheme to the amount which it is estimated can be serviced by the net annual income of the scheme. The amount of SHG is calculated on the qualifying costs of the scheme in accordance with instructions issued from time to time by the Welsh Government. The grants are paid direct to the lending authority and are reflected in the financial statements of the Association only when the payment has been made and the relevant mortgage loan reduced. SHG is repayable under certain circumstances, primarily following the sale of a property but will normally be restricted to net proceeds of sale.

Grants received in relation to Housing Properties are shown within creditors and disclosed as Deferred Income net of amortisation. Grants received of a revenue nature are taken straight to the statement of comprehensive income.

Grants held as deferred income are released over the useful life of the component to which they relate in accordance with the depreciation policy set out below.

g. Housing properties - fixed asset capitalisation and depreciation

Housing properties are stated at cost. The cost of properties is their purchase price together with incidental costs of acquisition and direct costs of the development process.

Depreciation is charged on the historic cost of property components. Grant is allocated to the main structure of the property as well as to other components. The depreciable amount is written off over the estimated useful lives from the date of purchase/build.

Following the implementation of component accounting, certain components of residential properties with asset lives which are different to the main structure, or shell, of those properties have been separately identified for depreciation purposes. On replacement of such assets the original asset is written off and the replacement asset is capitalised and depreciated over its useful life. On implementing the change in accounting policy the depreciation charges on all residential properties have been reinstated as if the policy had always been applied. Replacement components previously written off as major repairs have been restated as fixed assets and components which have been replaced have been written off.

HENRY BURTON ALMSHOUSE CHARITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2021

1g. Ctd. Depreciation is charged on cost on a straight line basis over the component's expected useful life as follows:

		2021	2020
Building structure less SHG			
- % on cost		2	2
Windows/Doors	%	4	4
Roofs	%	2	2
Bathrooms	%	4	4
Kitchens	%	6.67	6.67
Heating System	%	3.33	3.33
Boiler	%	6.67	6.67

Housing properties are reviewed for impairment on a regular basis. Where there is evidence of impairment, properties are written down to their recoverable value.

h. Extraordinary Repair Restricted Reserve

The provisions of the Charity Commission Scheme regulating this Charity state that a transfer to this fund out of the income of the Charity must be made and a corresponding investment made in accumulation shares. The revaluation element of these shares has been included in the reserve since 1st April 1999 to comply with the Statement Of Recommended Practice. Prior to this it was included in the investment revaluation reserve. The use of the fund is restricted by this scheme to expenditure on the extraordinary repair, improvement or rebuilding of the Almshouses.

HENRY BURTON ALMSHOUSE CHARITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2021

2 (a) Turnover, Operating costs and Operating surplus

Fully rented housing accommodation	2021			2020		
	Turnover	Operating Costs	Operating Surplus	Turnover	Operating Costs	Operating Surplus
	£	£	£	£	£	£
Social housing lettings (Note 2(b))	144,713	(104,551)	40,162	140,795	(124,298)	16,497
	144,713	(104,551)	40,162	140,795	(124,298)	16,497

2 (b) Income and expenditure from social housing lettings

	2021			2020	
	General needs and sheltered housing £	Supported Housing £	Other social housing letting income £	Total £	Total £
Income					
Rent receivable	117,681	-	-	117,681	114,074
Service charges income	12,451	-	-	12,451	12,140
Income for support services	-	-	-	-	-
Other revenue grants	-	-	-	-	-
Amortised Grant	14,581	-	-	14,581	14,581
Turnover from social housing lettings	144,713	-	-	144,713	140,795
Cost					
Management fee	34,371	-	-	34,371	33,370
Service charge costs	17,006	-	-	17,006	13,851
Routine maintenance	19,679	-	-	19,679	40,878
Major repairs expenditure	560	-	-	560	5,181
Bad debts	165	-	-	165	548
Depreciation of housing properties	23,340	-	-	23,340	24,044
Impairment of housing properties	-	-	-	-	-
Other costs	9,430	-	-	9,430	6,426
Operating costs on social housing activities	104,551	-	-	104,551	124,298
Operating surplus on social housing lettings	40,162	-	-	40,162	16,497
Rent loss due to voids (memorandum note)	618	-	-	618	1,135

HENRY BURTON ALMSHOUSE CHARITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2021

3 Operating surplus

	2021	2020
	£	£
The operating surplus is stated after charging:-		
Depreciation	23,340	24,044
Bad Debt Provision	165	548
Auditors' remuneration		
- In their capacity as auditors	3,856	4,080
	<u> </u>	<u> </u>

4 Interest receivable and similar income

	2021	2020
	£	£
Income from hire of communal hall	(35)	140
Income from listed investments	14,058	13,190
Income from building society account	211	210
Sundry Income	2	-
	<u>14,236</u>	<u>13,540</u>

5 Interest payable and similar charges

	2021	2020
	£	£
On loans repayable in instalments wholly or partly in more than five years	<u>1,064</u>	<u>1,293</u>

HENRY BURTON ALMSHOUSE CHARITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2021

6 Tangible Fixed Assets - Building Improvements	2021 £	2020 £
Cost		
At 1 April 2020	856,413	857,247
Component Additions	-	7,399
Component Disposals	-	(8,233)
At 31st March 2021	<u>856,413</u>	<u>856,413</u>
Depreciation		
At 1 April 2020	518,329	502,518
Charge for year	23,340	24,044
Component Disposals	-	(8,233)
At 31st March 2021	<u>541,669</u>	<u>518,329</u>
Net book value		
At 31st March 2021	<u>314,744</u>	<u>338,084</u>

Major works revenue items relating to existing housing stock £1,876

HENRY BURTON ALMSHOUSE CHARITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2021

7 Listed Investments

	C.O.I.F. Accum. ERF No.	C.O.I.F. Accum. ERF £	M&G Charity Multi Asset Accum. ERF No.	M&G Charity Multi Asset Accum. ERF £
At 1st April 2020	1,806	301,149	1,343	100,273
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluation	-	72,947	-	28,587
At 31st March 2021	<u>1,806</u>	<u>374,096</u>	<u>1,343</u>	<u>128,860</u>

	C.O.I.F. Income No.	C.O.I.F. Income £	M&G Charity Multi Asset Income No.	M&G Charity Multi Asset Income £
At 1st April 2020	17,681	262,682	128,464	89,912
Additions	1,481	26,592	-	-
Disposals	-	-	-	-
Revaluation	-	54,232	-	20,439
At 31st March 2021	<u>19,162</u>	<u>343,506</u>	<u>128,464</u>	<u>110,351</u>

	C.O.I.F. Accum. CMF No.	C.O.I.F. Accum. CMF £	Total Listed Investments £
At 1st April 2020	15	2,339	756,355
Additions	54	11,077	37,669
Disposals	-	-	-
Revaluation	-	929	177,134
At 31st March 2021	<u>69</u>	<u>14,345</u>	<u>971,158</u>

	2021		2020	
M&G Charity Multi Asset Income Shares	85.90	p	69.99	p
M&G Charity Multi Asset Accumulation Shares	9,595.41	p	7,466.72	p
COIF Income Shares	1,792.64	p	1,485.64	p
COIF Accumulation Shares	20,714.09	p	16,661.64	p
Historical Cost of Investments	<u>£328,801</u>		<u>£291,132</u>	

HENRY BURTON ALMSHOUSE CHARITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2021

8 Debtors	2021	2020
	£	£
Rent arrears	2,140	2,455
Less: bad debts provision	<u>(1,532)</u>	<u>(1,830)</u>
	608	625
Service Charge Debtor	969	-
Prepayments and accrued income	<u>3,790</u>	<u>3,506</u>
	<u><u>5,367</u></u>	<u><u>4,131</u></u>
9 Creditors: Amounts falling due within one year	2021	2020
	£	£
Prepayments of rent	10,141	8,835
Sundry creditors and accruals	23,426	23,893
Service Charge Creditor	-	1,293
Fresh PLC loan due within one year	96	88
	<u><u>33,663</u></u>	<u><u>34,109</u></u>

HENRY BURTON ALMSHOUSE CHARITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2021

10 Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Housing loans	<u>11,185</u>	<u>11,281</u>

The loans advanced by Fresh PLC to finance the improvements to the Almshouses are secured by specific charges on the Charity's properties. They are repayable as follows in bi-annual instalments over 30 and 60 years, interest being charged at varying fixed interest rates ranging from 9.375% to 9.875% per annum, the last instalments falling due between 2018 and 2048.

	2021 £	2020 £
One year or less	96	88
Between one and two years	106	96
Between three and five years	382	348
In five years or more	10,697	10,837
	<u>11,281</u>	<u>11,369</u>

Gross grant creditor

At 1 April 2020	613,792	619,748
Additions during the year	-	-
Component disposals	-	(5,956)
At 31 March 2021	<u>613,792</u>	<u>613,792</u>

Amortisation

At 1 April 2020	410,063	401,438
Credit for the year	14,581	14,581
Component disposals	-	(5,956)
At 31 March 2021	<u>424,644</u>	<u>410,063</u>

Net grant creditor

At 31 March 2021	<u>189,148</u>	<u>203,729</u>
At 1 April 2020	<u>203,729</u>	<u>218,310</u>

Amounts falling due:

Within one year or less	14,581	14,581
Between one and two years	14,581	14,581
Between two and five years	43,743	43,743
In five years or more	116,243	130,824
In more than one year	<u>174,567</u>	<u>189,148</u>
Total grant creditor	<u>189,148</u>	<u>203,729</u>

11 Provisions for liabilities and charges

There are no provisions for liabilities and charges required in the year (2020: nil).

HENRY BURTON ALMSHOUSE CHARITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2021

12 Number of Units in Management	2021 No	2020 No
At beginning and end of year	32	32
	<hr/>	<hr/>
No. of units managed by other bodies	NIL	NIL
	<hr/>	<hr/>

13 Registration

The Almshouses are registered with the Charity Commissioners and the Welsh Government.

14 Social Housing Grant

The total cumulative amount of Social Housing Grant received by the Association is as follows:-

	2021 £	2020 £
Social Housing Grant	764,224	764,224
	<hr/>	<hr/>

15 Trusteeship

As the Managing Agent, Melin Homes Limited charged a total of £34,371 in fees to Henry Burton Almshouse Charity during the current year to 31st March 2021 (2020: £33,370). There was a balance owing of £18,388 as at 31st March 2021 (2020: £19,090). In total Melin invoiced expenditure totalling £63,173 to Henry Burton Almshouse Charity during the current year to 31st March 2021 (2020: £90,664).

No remuneration was paid to Melin Homes Limited for its role as the trustee during the current year to 31st March 2020 or the preceding year.

Melin Homes as the sole trustee the ultimate parent responsibility for Henry Burton Almshouses Charity.

16 Contingent Liabilities

As stated in the accounting policies, social housing grant is repayable in certain circumstances and therefore any amounts written off could be liable for repayment. The amount to date that the Association may need to repay should these circumstances arise is £484,084.

HENRY BURTON ALMSHOUSE CHARITY**NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME ACCOUNT**

For the year ended 31st March 2021

	Notes	2021 £	2020 £
Income			
Turnover	2	144,713	140,795
		<u>144,713</u>	<u>140,795</u>
Operating costs			
Management fee	34,371		33,370
Water Rates	-		-
Day to day repairs	19,569		40,746
Major Repairs	560		5,181
Service costs	17,006		13,851
Cyclical maintenance	110		132
Bad debts	3 165		548
Depreciation	3 23,340		24,044
Insurance	1,990		1,941
Audit fee	3 3,856		4,080
Legal Fees	3,239		-
Subscriptions	285		270
Advertising	-		-
Minor Scheme Inventory <£100	-		-
Sundry Charges	60		135
		<u>104,551</u>	<u>124,298</u>
Operating surplus		<u>40,162</u>	<u>16,497</u>
Interest receivable and similar income			
Miscellaneous Income	4 (35)		140
Interest from investments	4 14,058		13,190
Bank & Building Society deposit interest	4 211		210
Sundry Income	2		-
		<u>14,236</u>	<u>13,540</u>
		<u>54,398</u>	<u>30,037</u>
Interest payable and similar charges	5	<u>(1,064)</u>	<u>(1,293)</u>
Surplus for the year		<u>53,334</u>	<u>28,744</u>
Movement on fair value of Financial Instruments	7	<u>177,134</u>	<u>(43,670)</u>
Surplus / (deficit) for the year		<u>230,468</u>	<u>(14,926)</u>