

**HENRY BURTON
ALMSHOUSE CHARITY**

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

**For the year ended
31st March 2023**

HENRY BURTON ALMSHOUSE CHARITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31st March 2023

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HENRY BURTON ALMSHOUSE CHARITY

OFFICERS AND PROFESSIONAL ADVISORS

For the year ended 31st March 2023

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 2023

The Trustee presents its report and the audited financial statements for the year ended 31 March 2023.

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 2023 and in total stand at £1,059,320. This is £49,798 lower than at 31st March 2022. £537,509 of the portfolio is held in Accumulation Shares and £521,811 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 £3,751 (2022: £283).

The deficit for the year, was £2,062 (2022:surplus £156,528).

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



Tom Broadhead

19 July 2023

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 2023 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 2023 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 Parent Association 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.

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

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

Date *31 July 2023*

HENRY BURTON ALMSHOUSE CHARITY

NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME ACCOUNT

For the year ended 31st March 2023

	Notes	2023 £	2022 £
Income			
Turnover	2	143,910	143,717
		<u>143,910</u>	<u>143,717</u>
Operating costs			
Management fee		36,464	35,402
Water Rates		-	-
Day to day repairs		57,602	21,163
Major Repairs		3,960	281
Service costs		14,919	15,058
Cyclical maintenance		72	122
Bad debts	3	(89)	(459)
Depreciation	3	20,439	19,931
Insurance		2,280	2,460
Audit fee	3	4,296	4,098
Legal Fees		-	-
Subscriptions		315	299
Advertising		-	-
Minor Scheme Inventory <£100		-	-
Sundry Charges		120	99
		<u>140,378</u>	<u>98,454</u>
Operating surplus		<u>3,532</u>	<u>45,263</u>
Interest receivable and similar income			
Miscellaneous Income	4	-	-
Interest from investments	4	16,182	14,779
Bank & Building Society deposit interest	4	215	213
Sundry Income		-	-
		<u>16,397</u>	<u>14,992</u>
		19,929	60,255
Interest payable and similar charges	5	<u>(1,000)</u>	<u>(1,055)</u>
Surplus for the year		18,929	59,200
Movement on fair value of Financial Instruments	7	<u>(20,991)</u>	<u>97,328</u>
Surplus / (deficit) for the year		<u>(2,062)</u>	<u>156,528</u>

HENRY BURTON ALMSHOUSE CHARITY

Statement of Comprehensive Income

For the year ended 31st March 2023

	Notes	2023 £	2022 £
Turnover	2	143,910	143,717
Less Operating costs	2	(140,378)	(98,454)
Operating surplus	3	<u>3,532</u>	<u>45,263</u>
Movement in fair value of financial instruments	7	(20,991)	97,328
Interest receivable and similar income	4	16,397	14,992
Interest payable and similar charges	5	(1,000)	(1,055)
Surplus for the year before taxation		<u>(2,062)</u>	<u>156,528</u>
Taxation		-	-
Surplus for the year after taxation		<u>(2,062)</u>	<u>156,528</u>
Total Comprehensive Income for the year		<u><u>(2,062)</u></u>	<u><u>156,528</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 19th July 2023 and were signed on its behalf by:

Clerk to the Trustee



Tom Broadhead

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 2023

Reserves

	Extraordinary Repair Restricted Reserve £	Unrestricted Revenue Reserve £	Total £
At 1st April 2022	855,118	485,900	1,341,018
Deficit from statement of comprehensive Income	-	(2,062)	(2,062)
Transfers to restricted	(28,807)	28,807	-
Transfer of Revaluation on Restricted shares	(20,991)	20,991	-
At 31st March 2023	<u>805,320</u>	<u>533,636</u>	<u>1,338,956</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 £805,320 value of the reserve is represented by investments with a historic cost of £185,154 and an unrealised surplus on investments of £620,166 of which a deficit of £20,991 occurred in 2022/23.

HENRY BURTON ALMSHOUSE CHARITY

Statement of Financial Position

As at 31st March 2023

	Notes	2023 £	2022 £
Fixed Assets			
Building Improvements			
- gross cost less depreciation	6	340,538	294,813
		<u>340,538</u>	<u>294,813</u>
Investments	7	1,059,320	1,109,118
		<u>1,399,858</u>	<u>1,403,931</u>
Current assets			
Debtors	8	5,186	5,029
Cash at Bank		152,288	152,627
		<u>157,474</u>	<u>157,656</u>
Current liabilities			
Creditors: amounts falling due within one year	9	(47,427)	(34,924)
Grants: amounts falling due within one year	10	(14,581)	(14,581)
		<u>(62,008)</u>	<u>(49,505)</u>
		95,466	108,151
Net current assets			
		<u>95,466</u>	<u>108,151</u>
Total assets less current liabilities		1,495,324	1,512,082
Non-current liabilities			
Creditors: amounts falling due after more than one year	10	(10,963)	(11,078)
Grants: amounts falling due after more than one year	10	(145,405)	(159,986)
		<u>(156,368)</u>	<u>(171,064)</u>
Provisions for liabilities and charges	11	-	-
Net assets		<u>1,338,956</u>	<u>1,341,018</u>
Capital and Reserves			
Restricted Reserve		805,320	855,118
Revenue Reserve		533,636	485,900
		<u>1,338,956</u>	<u>1,341,018</u>

The financial statements were approved by the Trustee on 19th July 2023 and were signed on its behalf by:

Clerk to the Trustee



Tom Broadhead

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

HENRY BURTON ALMSHOUSE CHARITY

CASH FLOW STATEMENT Year Ended 31 March 2023

	Note	12m ended 31 Mar 2023	12m ended 31 Mar 2022
Net cash inflow from operating activities	1	<u>21,726</u>	<u>52,202</u>
Returns on investment and servicing of finance			
Interest paid		(1,000)	(1,055)
Interest received		16,397	14,992
Tax paid		0	0
Net cash inflow/(outflow) from returns on investment and servicing of finance		<u>15,397</u>	<u>13,937</u>
Capital expenditure and financial investment			
Purchase of investments		(22,895)	(40,632)
Government grants received		0	0
Grants repaid		0	0
Purchase of components		(66,164)	0
Sale of investments		51,702	0
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>(37,357)</u>	<u>(40,632)</u>
Free cash inflow/(outflow) before financing		<u>(234)</u>	<u>25,507</u>
Financing			
Housing loans received		0	0
Housing loans repaid		<u>(105)</u>	<u>(96)</u>
Free cash (outflow)/inflow from financing		<u>(105)</u>	<u>(96)</u>
Increase in cash	2	<u><u>(339)</u></u>	<u><u>25,411</u></u>

HENRY BURTON ALMSHOUSE CHARITY

RECONCILIATION OF THE OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	12m ended 31 Mar 2023 £'000	12m ended 31 Mar 2022 £'000
1 Operating surplus	3,532	45,263
Depreciation of tangible assets	20,439	19,931
Surplus on sale of assets	0	0
(increase)/decrease in debtors	(157)	338
increase/(decrease) in creditors	12,493	1,251
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>21,726</u>	<u>52,202</u>

RECONCILIATION OF NET CASH FLOW MOVEMENT TO MOVEMENT IN NET DEBT

	12m ended 31 Mar 2023 £'000	12m ended 31 Mar 2022 £'000
2 (Decrease)/Increase in cash in the year	(339)	25,411
Cash inflow from changes in debt	105	96
Non cash movement on debt	0	0
Movement in net debt in the period	<u>(234)</u>	<u>25,507</u>
Net debt at start of year	141,443	115,936
Net debt at end of year	<u>141,209</u>	<u>141,443</u>

3 ANALYSIS OF CHANGES IN NET DEBT

	31 Mar 2022 £'000	Cash flows £'000	Non cash amendments	31 Mar 2023 £'000
Cash in hand and at bank	152,627	(339)	0	152,288
	<u>152,627</u>	<u>(339)</u>	<u>0</u>	<u>152,288</u>
Debt due in less than one year	(106)	(10)	-	(116)
Debt due in more than one year	(11,078)	115	0	(10,963)
Balance at end of year	<u>141,443</u>	<u>(234)</u>	<u>0</u>	<u>141,209</u>

HENRY BURTON ALMSHOUSE CHARITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2023

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 2023

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

		2023	2022
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.

i. Basis of preparation

The financial statements have been prepared on a going concern basis. The Trustee has reviewed and considered relevant information, including the annual budget and future cash flows in making its assessment.

HENRY BURTON ALMSHOUSE CHARITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2023

2 (a) Turnover, Operating costs and Operating surplus

Fully rented housing accommodation	2023			2022		
	Turnover	Operating Costs	Operating Surplus	Turnover	Operating Costs	Operating Surplus
	£	£	£	£	£	£
Social housing lettings (Note 2(b))	143,910	(140,378)	3,532	143,717	(98,454)	45,263
	143,910	(140,378)	3,532	143,717	(98,454)	45,263

2 (b) Income and expenditure from social housing lettings

	2023			2022	
	General needs and sheltered housing £	Supported Housing £	Other social housing letting income £	Total £	Total £
Income					
Rent receivable	120,043	-	-	120,043	119,790
Service charges income	9,286	-	-	9,286	9,346
Income for support services	-	-	-	-	-
Other revenue grants	-	-	-	-	-
Amortised Grant	14,581	-	-	14,581	14,581
Turnover from social housing lettings	143,910	-	-	143,910	143,717
Cost					
Management fee	36,464	-	-	36,464	35,402
Service charge costs	14,919	-	-	14,919	15,058
Routine maintenance	57,674	-	-	57,674	21,285
Major repairs expenditure	3,960	-	-	3,960	281
Bad debts	(89)	-	-	(89)	(459)
Depreciation of housing properties	20,439	-	-	20,439	19,931
Impairment of housing properties	-	-	-	-	-
Other costs	7,011	-	-	7,011	6,956
Operating costs on social housing activities	140,378			140,378	98,454
Operating surplus on social housing lettings	3,532	-	-	3,532	45,263
Rent loss due to voids (memorandum note)	3,751	-	-	3,751	283

HENRY BURTON ALMSHOUSE CHARITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2023

3 Operating surplus

	2023	2022
	£	£
The operating surplus is stated after charging:-		
Depreciation	20,439	19,931
Bad Debt Provision	(89)	(459)
Auditors' remuneration		
- In their capacity as auditors	4,296	4,098
	<u> </u>	<u> </u>

4 Interest receivable and similar income

	2023	2022
	£	£
Income from hire of communal hall	-	-
Income from listed investments	16,182	14,779
Income from building society account	215	213
Sundry Income	-	-
	<u>16,397</u>	<u>14,992</u>

5 Interest payable and similar charges

	2023	2022
	£	£
On loans repayable in instalments wholly or partly in more than five years	<u>1,000</u>	<u>1,055</u>

HENRY BURTON ALMSHOUSE CHARITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2023

6 Tangible Fixed Assets - Building Improvements	2023 £	2022 £
Cost		
At 1 April 2022	856,413	856,413
Component Additions	66,164	-
Component Disposals	-	-
At 31st March 2023	<u>922,577</u>	<u>856,413</u>
Depreciation		
At 1 April 2022	561,600	541,669
Charge for year	20,439	19,931
Component Disposals	-	-
At 31st March 2023	<u>582,039</u>	<u>561,600</u>
Net book value		
At 31st March 2023	<u>340,538</u>	<u>294,813</u>

Major works revenue items relating to existing housing stock £3,960

HENRY BURTON ALMSHOUSE CHARITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2023

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 2022	1,871	432,527	1,343	142,990
Additions	-	-	-	-
Disposals	(225)	(51,702)	-	-
Revaluation	-	(3,777)	-	1,600
At 31st March 2023	<u>1,646</u>	<u>377,048</u>	<u>1,343</u>	<u>144,590</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 2022	20,518	399,555	128,464	118,033
Additions	1,208	22,895	-	-
Disposals	-	-	-	-
Revaluation	-	(15,383)	-	(3,289)
At 31st March 2023	<u>21,726</u>	<u>407,067</u>	<u>128,464</u>	<u>114,744</u>

	C.O.I.F. Accum. CMF No.	C.O.I.F. Accum. CMF £		Total Listed Investments £
At 1st April 2022	69	16,013	At 1st April 2022	1,109,118
Additions	-	-	Additions	22,895
Disposals	-	-	Disposals	(51,702)
Revaluation	-	(142)	Revaluation	(20,991)
At 31st March 2023	<u>69</u>	<u>15,871</u>	At 31st March 2023	<u>1,059,320</u>

	2023		2022
M&G Charity Multi Asset Income Shares	89.32	p	91.88 p
M&G Charity Multi Asset Accumulation Shares	10,766.74	p	10,647.59 p
COIF Income Shares	1,873.66	p	1,947.35 p
COIF Accumulation Shares	22,917.11	p	23,123.01 p
Historical Cost of Investments	<u>£340,626</u>		<u>£369,433</u>

HENRY BURTON ALMSHOUSE CHARITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2023

8 Debtors	2023	2022
	£	£
Rent arrears	1,642	1,761
Less: bad debts provision	(953)	(1,073)
	<u>689</u>	<u>688</u>
Service Charge Debtor	-	350
Prepayments and accrued income	4,497	3,991
	<u>5,186</u>	<u>5,029</u>
9 Creditors: Amounts falling due within one year	2023	2022
	£	£
Prepayments of rent	11,407	10,668
Sundry creditors and accruals	35,512	24,150
Service Charge Creditor	392	-
Fresh PLC loan due within one year	116	106
	<u>47,427</u>	<u>34,924</u>

HENRY BURTON ALMSHOUSE CHARITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2023

10 Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Housing loans	<u>10,963</u>	<u>11,078</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.

	2023 £	2022 £
One year or less	116	106
Between one and two years	127	116
Between three and five years	458	418
In five years or more	10,378	10,544
	<u>11,079</u>	<u>11,184</u>

Gross grant creditor

At 1 April 2022	613,792	613,792
Additions during the year	-	-
Component disposals	-	-
At 31 March 2023	<u>613,792</u>	<u>613,792</u>

Amortisation

At 1 April 2022	439,225	424,644
Credit for the year	14,581	14,581
Component disposals	-	-
At 31 March 2023	<u>453,806</u>	<u>439,225</u>

Net grant creditor

At 31 March 2023	<u>159,986</u>	<u>174,567</u>
At 1 April 2022	<u>174,567</u>	<u>189,148</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	87,081	101,662
In more than one year	<u>145,405</u>	<u>159,986</u>
Total grant creditor	<u>159,986</u>	<u>174,567</u>

11 Provisions for liabilities and charges

There are no provisions for liabilities and charges required in the year (2022: nil).

HENRY BURTON ALMSHOUSE CHARITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2023

12 Number of Units in Management	2023 No.	2022 No.
At beginning and end of year	32	32
	<u> </u>	<u> </u>
No. of units managed by other bodies	NIL	NIL
	<u> </u>	<u> </u>

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:-

	2023 £	2022 £
Social Housing Grant	764,224	764,224
	<u> </u>	<u> </u>

15 Trusteeship

As the Managing Agent, Melin Homes Limited charged a total of £36,464 in fees to Henry Burton Almshouse Charity during the current year to 31st March 2023 (2022: £35,402). There was a balance owing of £29,887 as at 31st March 2023 (2022: £17,961). In total Melin invoiced expenditure totalling £173,570 to Henry Burton Almshouse Charity during the current year to 31st March 2023 (2022: £66,061).

No remuneration was paid to Melin Homes Limited for its role as the trustee during the current year to 31st March 2023 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 £513,246.