

TOWN LANDS
Registered charity number 217499

and

NEEDHAM MARKET AND BARKING ALMSHOUSE CHARITY
Registered charity number 237432

together known as

NEEDHAM MARKET AND BARKING WELFARE CHARITIES

Annual Report of the Trustees
and Financial Statements

for the year ended
31 March 2023

INTRODUCTION

The charities exist to benefit residents of Needham Market town and the neighbouring parishes of Barking and Darmsden in Suffolk – their Charitable Objects are shown on page 4.

Grants may be approved to organisations based outside the charities' area of benefit *provided* the application demonstrates a tangible benefit to residents of Needham Market and/or Barking/Darmsden.

Applications

Guidance and application forms can be obtained from the Clerk to the Trustees – contact details on page 3.

Trustees expect grants to be taken up as soon as possible after approval, otherwise funds are blocked that might otherwise be better utilised by other applicants in the year.

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Needham Market and Barking Welfare Charities
Charity numbers 217499 & 237432

REFERENCE AND ADMINISTRATIVE DETAILS

TRUSTEES:

(at date of signing the Trustees' Report)	<i>Basis</i> ¹	<i>Term</i>	<i>Committees</i> ²					
Mrs J R Annis, <i>Chairman</i>	C	2022-2027	A	AH	F	G	CL	CP
Mr D G Bishop	C	2018-2023				G*	CL*	CP*
Mr S Cochrane	C	2019-2024					CL	CP
Mr T Lawrence	C	2023-2027			F			
Mrs S Osborn	NM	2022-2026		AH				
Mr G F Oxenham, <i>Vice-Chairman</i>	NM	2022-2026			F*	G		CP
Mr S Phillips	NM	2020-2024		AH*				
Mr C M Walker	C	2022-2027	A*		F			CP
Vacancy (two)	B							
Vacancy	C							
Mrs R Fellowes	B	2021-2025	resigned 23 May 2022					
Lt Col F H Lea	C	2020-2025	passed away 6 December 2022					
Mr G A P Leigh-Pollitt	C	2019-2024	resigned 27 October 2022					

¹ *Basis of appointment:* NM: nominated by Needham Market Town Council
B: nominated by Barking Parish Council
C: Co-optative

² *Committees:* A: allotments AH: almshouses F: finance G: grants
*Chair CL: Camping Land CP: Creting almshouse project

Clerk to the Trustees: Mrs L S Mills

Principal Address: Needham Market Town Council Office
School Street, NEEDHAM MARKET, Suffolk IP6 8BB

Contact details: Website: nmbwc.onesuffolk.net
Email: nmbwc@btinternet.com
Telephone: 01449 722494

ADVISERS, and their Registered Office

Independent Examiner: C Annis, FCA
LB Group Ipswich
80 Compair Crescent, IPSWICH, Suffolk IP2 0EH

Bankers: TSB Bank plc
Henry Duncan House, 120 George Street, EDINBURGH EH2 4LH

Barclays Bank Plc
Business Banking, LEICESTER LE87 2BB

CCLA Investment Management Ltd
One Angel Lane, LONDON EC4R 3AB

Investment Managers: Rathbones Investment Management Ltd - London office
Port of Liverpool Building, Pier Head, LIVERPOOL L3 1NW

J M Finn & Co Ltd - Bury St Edmunds office
25 Copthall Avenue, LONDON EC2R 7AH

Lawyers: Birketts LLP
Providence House, 141-145 Princes Street, IPSWICH, Suffolk IP1 1QJ

ANNUAL REPORT OF THE TRUSTEES

The Trustees present their Annual Report with the financial statements for the year ended 31 March 2023.

Statement of compliance

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) issued in October 2019 and Charities Act 2011 and UK Generally Accepted Practice as it applies from January 2019.

Part 1 – OBJECTIVES AND ACTIVITIES; ACHIEVEMENTS AND PERFORMANCE

Needham Market and Barking Welfare Charities (the “Charities”) comprise two separate funds registered with the Charity Commission, with common trustees:

1. The Town Lands charity, registered number 217499 (“Town Lands”)
2. The Needham Market and Barking Almshouse Charity, registered number 237432 (“Almshouse”)

Charitable Objects

- *Town Lands*: Trustees shall apply available income for grant-making in the following priority:
 1. To relieve, generally or individually, residents in need, hardship or distress
 2. To provide relief for old age or sickness in the area
 3. To use the balance of income for such charitable purposes for the general benefit of the inhabitants as the Trustees think fit
- *Almshouse*: to benefit local residents in need of sheltered accommodation

The area of benefit for both funds is restricted by the 1980 Scheme of the Charity Commission to the town of Needham Market and the parish of Barking in Suffolk. In April 2013, the parish of Darmsden was formed from a revision of the Barking parish boundary; Trustees regard reference to “parish of Barking” in the Scheme document to include the parish of Darmsden.

Public Benefit

Trustees are aware of and have due regard to Charity Commission guidance on public benefit, and have taken it into account when making any decision. This report demonstrates activities undertaken for public benefit that are beneficial to individual inhabitants or to the community generally.

Objectives

Trustees aim to achieve the Objects by working with individuals and organisations in the local community. Current objectives to achieve those aims are:

- *Town Lands*: to consider applications from individuals and organisations, ensuring individual applicants have received any statutory benefits to which they are entitled.
- *Almshouse*: to liaise with Orwell Housing Association to ensure the charity’s flats have full occupancy, are maintained to a high standard for the comfort & well-being of residents, and ensure occupants have full access to the other facilities within the Drift Court sheltered housing scheme. The charity retains Nomination Rights to their flats.

Activities

Grants approved in the year are summarised in Note 3 to the financial statements.

Ongoing activities

In addition to reviewing grant applications in the year, the Charities provide ongoing activities. These are at the discretion of the Trustees, who review their nature and extent to best utilise the Charities’ available resources.

Ongoing facilities currently comprise:

1. Minibus expenses (in partnership with the Community Centre, Town Council and Community Council). The minibus provides essential mobility for older residents.
2. Allotments at Quinton Road, Needham Market
3. The historic Camping Land, used as a public recreation and amenity area

ANNUAL REPORT

For the year ended 31 March 2023 – *Part 1 continued*

Achievements and Performance

Town Lands

With the current cost-of-living issues, Trustees expected more hardship grants in the year, and this has been the case with a rise in the number of individuals being supported. This includes £1,000 to provide food vouchers to needy locals via the local Citizens' Advice Bureau, and continued monitoring of the "Pantry" project run at the Ark church hall.

Apart from grants to individuals and for on-going facilities, the principal grants made in the year include:

- £5,000 to Barking Pre-School, to help with post-Covid & cost-of-living issues
- £4,500 to Citizens' Advice Bureau over 3 years, to provide Specialist Welfare Support to local citizens
- £150 to Needham Market Phoenix (under 9's) football club, to provide First Aid kits

Almshouse

Trustees remain pro-active in assisting almshouse residents with any issues that arise during the year, and help to resolve matters for the benefit of all.

Designated funds

The annual budget also puts funds aside for future commitments - see Note 8(a).

Plans for the Future

High inflation and cost-of-living issues are still a major concern. Trustees remain ready to respond to anticipated demand on Town Lands funds from local people suffering from such issues.

With regard to Almshouse funds, the project to build on its land in Creeting St Mary has now reached the construction phase, and will create 3 new charity buildings providing a total of 6 units to offer modern sheltered accommodation. As with Drift Court, a tenant-management partner will be appointed to oversee day-to-day operations, once the buildings are completed and handed over to the charity. Unlike Drift Court that is restricted to older people, the new accommodation will also target younger people in need, and includes bungalows designed to be wheelchair-friendly.

Post balance sheet event

The £1.67 million development to provide new almshouses is expected to complete during the next year. Full disclosure of the accounting transactions will therefore be made in next year's accounts, together with a re-balancing of the Almshouse investment portfolios - see Note 10.

Part 2 – FINANCIAL REVIEW

Financial Summary

The financial results for the year are shown on pages 9 to 15.

- **Incoming resources £49,410** (2022: £41,939) includes investment income £44,466 (2022: £37,527).
- **Resources expended £45,273** (2022: £37,425) and includes expenditure on charitable activities of £31,833 (2022: £23,476) that incorporates support costs - see Note 3.

Reserves

Trustees aim to spend annual income, subject to a balance between current expenditure and capital growth for future beneficiaries. Whilst Retail Price Index is retained as a benchmark (see Note 9), Trustees monitor several factors to *guide* trustees to possible endowment shortfall in any year, to reduce direct correlation of annual grant-making with economic market swings. Other statistics include a long-term view of large grants in any year with multi-year benefits.

Performance

Factors referred to above continue to be broadly positive. Trustees remain confident that future beneficiaries can be serviced on a similar basis to current beneficiaries, and that sufficient funds are available to meet current obligations agreed by the Trustees.

ANNUAL REPORT

For the year ended 31 March 2023 – *Part 2 continued*

Investments

Trustees delegate investment of financial assets to professional investment managers. Trustees' guidelines include:

- increase funds at least in line with inflation over the long term
- asset allocation subject to a prudent level of risk and the need for diversification
- managers' performance and costs monitored against suitable benchmarks

Town Lands is a traditional endowment that requires income for current grant-making, with capital to grow to provide income for future beneficiaries. Investment Policy provides a balanced return from income *and* capital growth.

Almshouse funds, derived from permanent endowments, includes land and buildings plus funds available for future property. Investment Policy allows flexibility to the fund manager for capital growth *only*, until such time that invested funds are required for capital projects.

Performance

After investment income and management fees, investments of £1.87 million (2022: £2.0 million) reported a £130,543 loss in the year (2022: £74,598 gain). The world's stock markets continued to show post-Covid economic adjustment during the year, together with consequences to the war in Ukraine. This continued to impact on inflationary pressures of household costs, notably energy & food prices, in a period of tightening global monetary policy and rising interest rates.

Trustees take a long-term view of unrealised movements, as stock markets are expected to rise and fall over multi-year periods, typically five to ten-year cycles.

Future outlook remains unstable, but trustees expect annual income from interest & dividends to be broadly the same in the next year. Trustees have sufficient income reserves to ride out any market storm.

Risk Assessment

Trustees examine the strategic, business and operational risks to which the Charities may be exposed, and regularly review all possible risks. They consider the *major* risks arise from:

(a) *Operation of a public open space*

The area historically known as the Camping Land in Needham Market is regularly maintained. Allotments are overseen by trustees and by members of the local Allotment Holders Association to alleviate issues that arise.

(b) *Effects of inflation on income and therefore future grant-making ability*

The Reserves strategy attempts to address this concern.

Part 3 – STRUCTURE, GOVERNANCE & MANAGEMENT

Constitution

The governing document is a Scheme of the Charity Commissioners dated 3 March 1980.

The Charities are managed by a common body of up to eleven persons (the "Trustees") comprising:

- five "Nominative" trustees appointed for up to four years - three nominated by Needham Market Town Council and two nominated by the Parish Council of Barking, and
- six "Co-optative" trustees, who are resident or employed in the area, appointed for up to five years

Vacancies are filled by the trustees and councils, who seek individuals with the skills and experience needed based on personal knowledge or by advertisement in the local press. On appointment, new trustees are given a copy of the Scheme document and the latest Annual Report and financial statements, together with further information such as relevant Charity Commission guidance.

ANNUAL REPORT

For the year ended 31 March 2023 – *Part 3 continued*

Governance

Trustees appoint their Chairman, and agree membership of committees, currently: allotments, almshouses, finance, grants, the Camping Land, and the development of the Creting land. Recommendations are made to all Trustees, and decisions are made by majority of trustees present at meetings, of which there shall be at least four in any year.

Trustees are assisted in their day-to-day duties by the appointment of a Clerk. Trustees appoint professional advisers, as required – see page 3.

Trustees

Trustees who served during the financial year (and to the date of signing the Trustees' report) are shown on page 3, together with current composition of committees. Appointments are normally made at the Charities' Annual Meeting in October; retiring trustees may be re-appointed.

Mrs Fellowes resigned on 23 May 2022, Mr Leigh-Pollitt resigned on 27 October 2022, and Lt.Col Lea passed away on 6 December 2022. At the annual meeting, Mr Oxenham was reappointed to 2026, and Mrs Annis and Mr Walker were reappointed to 2027. Mrs Osborn was appointed as Needham Market nominee on 14 November 2022 until 2026, and Mr Lawrence was co-opted on 24 January 2023 until 2027. Three vacancies exist: a co-optative nominee, and two Barking Parish Council nominees.

Frank Lea passed away unexpectedly. He retired from the Army in 1996, having attained the rank of Lieutenant Colonel, and moved to Needham Market with his wife, Josephine. He was very community minded, being a well-respected member of both the Town and wider area. Described as a legend in the local Entertainment Company, amongst his achievements was playing "Widow Twanky" and other pantomime Dames. He had served as the charities' Clerk between 1998 & 2001, and returned as a Trustee in 2011.

Statement Of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the Charities' state of affairs and of the incoming resources and application of resources of the Charities 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 in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charities and enable them to ensure that the financial statements comply with Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2018 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charities and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 01 August 2023 and signed on their behalf by:

Mrs J R Annis – *Chairman of Trustees*

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

I report to the trustees of the Needham Market and Barking Welfare Charities on my examination of the Charities' accounts for the year ended 31 March 2023, which are set out on pages 9 to 15.

Responsibilities and basis of report

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

I report in respect of my examination of the trustee's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

- (1) accounting records were not kept in respect of the Charities as required by section 130 of the Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2018 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

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

Signed: C Annis, FCA

Address: LB Group Ipswich
80 Compair Crescent, IPSWICH, Suffolk IP2 0EH

Date: 02 August 2023

Needham Market and Barking Welfare Charities
Charity numbers 217499 & 237432

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2023

Total		Town Lands, charity 217499						Almshouse, charity 237432				
2023 £	2022 £		Note	Unrestricted £	Endowment £	2023 £	2022 £	£	Unrestricted £	Endowment £	2023 £	2022 £
Income and endowments from:												
44,466	37,527	Investment income	1	37,365	-	37,365	31,617		7,101	-	7,101	5,910
4,944	4,412	Charitable activities: income from rents	1	979	-	979	1,005		3,965	-	3,965	3,407
49,410	41,939			38,344	-	38,344	32,622		11,066	-	11,066	9,317
Expenditure on:												
13,440	13,949	Investment management costs	2	-	9,735	9,735	10,012		-	3,705	3,705	3,937
31,833	23,476	Charitable activities	3	30,888	-	30,888	23,476		945	-	945	-
45,273	37,425			30,888	9,735	40,623	33,488		945	3,705	4,650	3,937
4,137	4,514	Net income (expenditure)		7,456	(9,735)	(2,279)	(866)		10,121	(3,705)	6,416	5,380
(130,543)	74,598	Gains (losses) on investments		-	(105,407)	(105,407)	53,617		-	(25,136)	(25,136)	20,981
(126,406)	79,112	Net movement in funds for the year		7,456	(115,142)	(107,686)	52,751		10,121	(28,841)	(18,720)	26,361
2,577,653	2,498,541	Total funds brought forward	11	267,684	1,510,577	1,778,261	1,725,510		120,975	678,417	799,392	773,031
2,451,247	2,577,653	Total funds carried forward		275,140	1,395,435	1,670,575	1,778,261		131,096	649,576	780,672	799,392

The analysis of Unrestricted and Endowment funds for the prior year is shown in Note 11.

The policies and notes on pages 11 to 15 form part of these financial statements.

Needham Market and Barking Welfare Charities
Charity numbers 217499 & 237432

STATEMENT OF FINANCIAL POSITION

At 31 March 2023

Total			Town Lands, charity 217499			Almshouse, charity 237432	
2023	2022		2023	2022	Note	2023	2022
£	£		£	£		£	£
		Fixed assets					
407,855	369,124	Property	8,718	8,718	5, 10	399,137	360,406
1,871,674	2,005,420	Investments at market value	1,459,476	1,574,077	6, 10	412,198	431,343
<u>2,279,529</u>	<u>2,374,544</u>		<u>1,468,194</u>	<u>1,582,795</u>		<u>811,335</u>	<u>791,749</u>
		Current assets					
85,886	85,886	Investments	85,886	85,886	6	-	-
3,941	-	Debtors - accrued income	-	-		3,941	-
45,965	-	* Debtor - due from Almshouse	45,965	-	10	-	-
93,233	138,429	Cash at bank	81,872	118,516		11,361	19,913
<u>229,025</u>	<u>224,315</u>	Total current assets	<u>213,723</u>	<u>204,402</u>		<u>15,302</u>	<u>19,913</u>
		Current liabilities					
(11,342)	(21,206)	Creditors due in less than one year	(11,342)	(8,936)	7	-	(12,270)
(45,965)	-	* Creditor - due to Town Lands	-	-	10	(45,965)	-
<u>171,718</u>	<u>203,109</u>	Net current assets	<u>202,381</u>	<u>195,466</u>	10	<u>(30,663)</u>	<u>7,643</u>
<u>2,451,247</u>	<u>2,577,653</u>	Total assets less current liabilities	<u>1,670,575</u>	<u>1,778,261</u>		<u>780,672</u>	<u>799,392</u>
		Funds of the Charities					
406,236	388,659	Income funds: unrestricted	275,140	267,684	8	131,096	120,975
2,045,011	2,188,994	Endowment funds	1,395,435	1,510,577	8	649,576	678,417
<u>2,451,247</u>	<u>2,577,653</u>		<u>1,670,575</u>	<u>1,778,261</u>		<u>780,672</u>	<u>799,392</u>

The policies and notes on pages 11 to 15 form part of these financial statements.

Approved by the Trustees on 01 August 2023 and signed on their behalf by:

Mrs J R Annis – *Chairman of Trustees*

Mr G F Oxenham, FCG – *Chairman, Finance Committee*

STATEMENT OF ACCOUNTING POLICIES

Year ended 31 March 2023

The significant accounting policies used by the Charities, consistently applied unless otherwise stated, are:

Public Benefit Entity

Each charity is a Public Benefit Entity as defined by FRS 102: an entity whose primary objective is to provide goods or services to the general public, community or social benefit (rather than provide a financial return to equity providers, shareholders or members).

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing accounts in accordance with the Financial Reporting Standard (FRS 102), the Charities Act 2011, and UK Generally Accepted Accounting Practice. The financial statements are prepared under the historical cost convention, modified to include certain items at fair value, and presented in sterling which is the Charities' functional currency.

Going Concern

The financial statements are prepared on a going concern basis as Trustees believe that no material uncertainties exist for each charity. In making their assessment, Trustees consider the level of funds held and the expected level of income and expenditure for at least 12 months from authorising these financial statements, and concluded that budgeted income and expenditure is sufficient with the level of reserves for the Charities to continue as going concerns.

Fund structure & Objects

All funds are used for the Charities' Objects.

- Restricted funds, including endowment capital & expendable income, are used by Trustees for purposes specified by donors.
- Unrestricted funds are expendable at the discretion of the Trustees.
- Designated funds are funds earmarked at the Trustees' discretion for specific projects or reserves.

Income recognition

All incoming resources are recognised in the financial statements as soon as all conditions for receipt have been met, namely: entitlement, probability of timing, and measurement of amount.

Expenditure recognition

Charitable grants and other expenditure are recognised in the financial statements as soon as there is a legal or constructive obligation committing the charity to the expenditure. Expenditure on charitable activities includes all overhead and governance costs that are incurred in support of the charitable Objects.

Taxation

No tax charge arises as the Charities are exempt from taxation of income and gains to the extent they are applied to charitable purposes. The Charity is not registered for VAT; irrecoverable VAT is reported as part of the expenditure to which it relates.

Freehold Properties

Freehold properties are held for the Charities' use and are stated at nominal or cost value, as appropriate. No depreciation is charged on freehold land; buildings are depreciated only if impairment to their value has occurred. Costs incurred to bring a tangible asset into its intended working condition is included with the property's cost.

Investments

Investments are initially shown at fair value (normally the transaction price including transaction costs) and subsequently measured at their fair (market) value. Changes in value during the year, whether realised or unrealised, are included in the Statement of Financial Activities.

Financial Instruments

Apart from investments, the Charities only have financial assets and liabilities that are regarded as basic financial instruments, which are initially recognised at transaction value and subsequently measured at their settlement value.

Capital Maintenance

Maintenance of capital is based on financial assets keeping pace with inflation, and the calculated amount compared to present value of assets. Trustees also consider other statistics to determine the level of any required reserves.

NOTES TO THE ACCOUNTS

Year ended 31 March 2023

1 Income from investments and rents

Investment income arises principally from funds under long-term investment, plus interest received from current asset deposits.

Income from rents includes income from allotments, and ground rents from letting of land and buildings. Ground rent for Drift Court is reviewed every five years; the last review was 2022 effective February 2023.

2 Investment management costs

Investment managers are paid a fee according to the total funds under their management. Their gross fees for the year were £13,440 (2022: £13,949) including VAT. Additional fees arise from transaction charges.

3 Charitable activities

	Town Lands		Almshouse	
	2023	2022	2023	2022
	£	£	£	£
Grants approved in the year comprise:				
Grants to individuals in need	3,998	3,701	945	-
Grants for relief of old age or sickness	10,119	2,564	-	-
Other grants to benefit the community	6,892	7,178	-	-
Total grants approved in the year	21,009	13,443	945	-
Support costs comprise:				
Clerk's salary	8,453	6,846	-	-
Independent examination fee	1,100	1,086	-	-
Legal and professional fees	(473)	1,500	-	-
Meeting room hire	181	156	-	-
Other expenses	618	445	-	-
Total attributed support costs	9,879	10,033	-	-
Total grants and attributed support costs	30,888	23,476	945	-

The principal grants approved in the year are stated in the Trustees Report.

Support costs include governance costs and are allocated 100% to charitable activities. There were no employees earning more than £60,000 during the year (2022: none).

The movement in Town Lands comprises:	Brought Forward	Under/(over) provisions	Grants approved in the year	Grants paid in the year	Carried Forward
	£	£	£	£	£
Grants approved not yet paid - Note 7	1,613	(370)	21,009	(27,403)	5,151

4 Transactions with trustees and connected persons

None of the trustees received remuneration during the year (2022: £nil) and no expenses were claimed or reimbursed during the year (2022: £nil). None of the trustees or members of key management or parties related to them has undertaken any material transactions with the Charities or with connected persons during the year (2022: £nil).

Needham Market and Barking Welfare Charities
Charity numbers 217499 & 237432

NOTES TO THE ACCOUNTS

Year ended 31 March 2023 - *continued*

5	Fixed Assets - property	Town Lands		Almshouse	
		2023	2022	2023	2022
		£	£	£	£
	Land and buildings comprise:				
	Drift Court – land (value of gift)	-	-	130,000	130,000
	Drift Court – 2 buildings (net cost)	-	-	184,181	184,181
				<u>314,181</u>	<u>314,181</u>
	Camping Land – 4 acres	2,400	2,400	-	-
	Land at Quinton Road – allotments	6,318	6,318	-	-
	Land at Creting St Mary – 6 acres	-	-	84,956	46,225
		<u>8,718</u>	<u>8,718</u>	<u>399,137</u>	<u>360,406</u>

The two pre-1860 almshouses had become difficult to maintain and let. With Charity Commission approval, Trustees replaced the original Permanent Endowment capital (land & buildings) in 2007 to build modern almshouses within the Drift Court sheltered housing scheme in Needham Market, in a joint project with Orwell Housing Association. The two buildings, providing a total of four flats, are named in honour of the original benefactors, Alexander and Maws.

Costs of £38,731 (2022: £13,171) associated with improving the Almshouse land at Creting have been added to Fixed Assets - see Note 10 post balance sheet events.

6	Investments at market value	Town Lands		Almshouse	
		2023	2022	2023	2022
		£	£	£	£
	Fixed asset investments comprise:				
	Listed investments at market value				
	Brought forward at beginning of year	1,529,395	1,421,471	425,000	402,313
	Add: additions to investments, at cost	199,174	248,589	9,444	16,495
	Less: disposals at carrying value	(205,765)	(182,077)	-	(13,194)
	Net gains(losses) on revaluation	(85,918)	41,412	(25,136)	19,386
	Carried forward at end of year	1,436,886	1,529,395	409,308	425,000
	Cash held as part of investment portfolio	22,590	44,682	2,890	6,343
	Total investments at market value	<u>1,459,476</u>	<u>1,574,077</u>	<u>412,198</u>	<u>431,343</u>
	comprising:				
	Investments and cash at original cost	1,263,279	1,229,050	272,908	266,916
	Cumulative unrealised investment gains	196,197	345,027	139,290	164,427

Fixed asset investments are stated after transferring out £35,669 (2022: £31,692) generated from interest and dividends received to the Charities' bank accounts to provide funds for grant-making, and transferring in £nil (2022: £100,000) to Town Lands and £3,304 (2022: £3,304) to Almshouse funds.

There are no material individual investments; investments in unit trusts are regarded as fully diversified. All listed investments are on a UK-recognised stock exchange.

Current asset investments relate to bank deposits available for use during the year.

7	Creditors	Town Lands		Almshouse	
		2023	2022	2023	2022
		£	£	£	£
	Allotment deposits received	3,075	2,900	-	-
	Grants approved not yet paid - Note 3	5,151	1,613	-	-
	Accruals and deferred income	3,116	4,423	-	12,270
	Amounts falling due within one year	<u>11,342</u>	<u>8,936</u>	<u>-</u>	<u>12,270</u>

Grants for ongoing activities include accrued estimates where final bills are outstanding. There are no other commitments, liabilities or provisions that are not included in these financial statements.

Needham Market and Barking Welfare Charities
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NOTES TO THE ACCOUNTS
Year ended 31 March 2023 - *continued*

8(a) Summary of fund movements

	Brought Forward £ '000	Incoming Resources £ '000	Outgoing Resources £ '000	Transfers £ '000	Gains & Losses £ '000	Carried Forward £ '000
Town Lands						
<i>Unrestricted funds</i>						
Designated* - minibus replacement	23	-	-	2	-	25
General funds: undistributed income	245	38	(31)	(2)	-	250
	268	38	(31)	-	-	275
<i>Endowment funds</i>						
Funds utilised for fixed assets	9	-	-	-	-	9
Unrealised investment gains	345	-	-	-	(149)	196
General endowment funds	1,156	-	(10)	-	44	1,190
	1,510	-	(10)	-	(105)	1,395
Total funds: Town Lands	1,778	38	(41)	-	(105)	1,670
Almshouse						
<i>Unrestricted funds</i>						
Designated* - Drift Court replacement	44	4	-	-	-	48
General funds: undistributed income	77	7	(1)	-	-	83
	121	11	(1)	-	-	131
<i>Endowment funds</i>						
Funds utilised for fixed assets	360	-	-	39	-	399
Unrealised investment gains	165	-	-	-	(26)	139
Designated*: Drift Court replacement	50	-	-	-	-	50
Designated: other capital projects	103	-	(3)	(39)	1	62
	678	-	(3)	-	(25)	650
Total funds: Almshouse	799	11	(4)	-	(25)	781
Total charity funds	2,577	49	(45)	-	(130)	2,451

**Designated funds comprise:*

1. Town Lands

On the basis of ongoing minibus support, Trustees have designated £25,000 (2022: £22,500) to gradually reserve assets of £25k over 10 years to replace the 2013 minibus.

2. Almshouse

Trustees designate the annual rent to create financial assets to replace the Charities' existing almshouses upon 99-year lease expiry. An initial £50k plus cumulative rent totaling £98k (2022: £94k) are managed in a long-term portfolio with a year-end value of £125k (2022: £131k).

8(b) Summary of net assets by fund

Total funds comprise:	Unrestricted £ '000	Endowment £ '000	2023 £ '000	2022 £ '000
Fixed assets: property	-	408	408	369
Fixed assets: investments	188	1,683	1,871	2,005
Current asset investments	86	-	86	86
Other current assets	143	-	143	138
Current liabilities	(11)	(46)	(57)	(21)
	406	2,045	2,451	2,577

Needham Market and Barking Welfare Charities
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NOTES TO THE ACCOUNTS

Year ended 31 March 2023 - *continued*

9 Changes in resources available for charity use

Trustees assess whether long-term capital is sufficient to service future beneficiaries on a similar basis to current beneficiaries. A benchmark is the purchasing power of assets keeping pace with inflation, as measured by Retail Price Index ("RPI"). Although no longer an official UK statistic, the Office for National Statistics still publish RPI as there are many users. Town Lands use RPI based to 1980, the Scheme date; Almshouse funds are based to 2007, when principal endowment assets were crystallised into cash.

	Town Lands (base 1980)		Almshouse (base 2007)	
	2023	2022	2023	2022
	£ '000	£ '000	£ '000	£ '000
Estimate of shortfall, if any, using RPI:				
Actual total funds	1,670	1,778	781	799
Calculated RPI estimate of funds	1,897	1,673	636	599
Estimated surplus / (shortfall)	(227)	105	145	200
Surplus on calculated estimate	- 12%	+ 6%	+ 23%	+ 33%

Market volatility can be $\pm 25\%$ (or more) of the portfolio total, giving rise to Town Lands' volatility of $\pm £379k$ relative to £38k annual income. RPI was previously used as the Reserves benchmark, but stock market fluctuations could restrict grant-making during economic downturns despite an underlying healthy fund. Trustees now assess RPI as one of several factors in reviewing adequacy of Reserves.

10 Post balance sheet event

The Almshouse land at Creting St Mary is undergoing development to provide 6 new almshouses, costing £1.67 million, to complement the existing Drift Court almshouses. Completion of the project is expected in September 2023. Town Lands has provided an interest-free loan, to be repaid upon project completion, to help pay for associated legal & professional fees and avoid breaking an Almshouse investment portfolio in a period of stock market turmoil. The year-end Almshouse negative working capital is thus regarded as temporary and not considered a Going Concern issue, as the Almshouse investment portfolio will be re-balanced upon project completion to meet future needs.

11 Statement of Financial Activities for the *prior* year

The analysis of Unrestricted and Endowment balances for the prior year are as follows:

	Town Lands, charity 217499			Almshouse, charity 237432		
	Unrestricted	Endowment	2022	Unrestricted	Endowment	2022
	£	£	£	£	£	£
Income and endowments from:						
Investment income	31,617	-	31,617	5,910	-	5,910
Charitable activities: income from rents	1,005	-	1,005	3,407	-	3,407
	32,622	-	32,622	9,317	-	9,317
Expenditure on:						
Investment management costs	-	10,012	10,012	-	3,937	3,937
Charitable activities	23,476	-	23,476	-	-	-
	23,476	10,012	33,488	-	3,937	3,937
Net income (expenditure)	9,146	(10,012)	(866)	9,317	(3,937)	5,380
Gains (losses) on investments	-	53,617	53,617	-	20,981	20,981
Net movement in funds for the year	9,146	43,605	52,751	9,317	17,044	26,361
Total funds brought forward	258,538	1,466,972	1,725,510	111,658	661,373	773,031
Total funds carried forward	267,684	1,510,577	1,778,261	120,975	678,417	799,392