

James Ainsworth Almshouses Charity

Trustee's Annual Report and Accounts

Year Ended

31 March 2023

Charity Number 224838

James Ainsworth Almshouses Charity

Trustee's report and financial statements for the year ended 31 March 2023

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Trustee

Arcon Housing Association Ltd

Almshouses Manager: Arcon Housing Association Ltd

Company secretary and registered office

Katrina Cunliffe, Quay West, Trafford Wharf Road, Manchester, M17 1HH

Charity number

224838

Solicitors

Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham, B3 2ES

Auditor

Azets Audit Services, Fleet House, New Road, Lancaster. LA1 1EZ

Bankers

CAF Bank, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ

James Ainsworth Almshouses Charity

Report of the Trustee for the year ended 31 March 2023

The Trustee presents the annual report and the audited financial statements for the year ended 31 March 2023. The Trustee has adopted the provisions of the Charities SORP 2nd Edition (FRS 102) in preparing the annual report and financial statements of the charity.

Structure, Governance and Management

Arcon Housing Association were appointed as Trustee on 1st June 2006. The Trustee was previously The Orders of St John Trustee Company.

Structure and activities

The Charity, which is registered with The Charity Commission, is unincorporated and has as its constitution a declaration of trust dated 2 March 1968 (as amended).

In addition, the Charity holds funds and investments with a view to the further development of its charitable aims.

Organisation

The Board of Arcon Housing Association meets six times a year and carries out an Annual Review.

As Corporate Trustee, the trustee meets at least twice a year to discuss performance, budgets and business plans and approve the financial statements.

Objectives and Activities

The Charitable objects of the Charity are:

- to provide housing accommodation and assistance to help house people who are elderly or disabled and associated facilities and amenities for such people or the relief of the aged, disabled: and
- to further such general charitable objects as the Trustee may determine.

Financial review

The total incoming resources were £44,347 for the year to 31st March 2023 (2022: £37,375), producing an operating surplus of £15,956 (2022: £2,934). Losses on investments resulted in a surplus of £13,598 for the 12-month period to 31st March 2023 (2022: surplus of £9,051). Accumulated surpluses held in general funds were £528,181 (2022: £514,583).

Going concern

In the financial year 2022/23, the war in Ukraine has caused many supply side shortages, specifically for energy supplies which in turn has caused inflationary increases in a wide range of products and services.

When reviewing the budget and forecasts the Trustee considered its impact, both specifically and on the UK economy, together with risks around principle economic assumptions and regulatory changes.

James Ainsworth Almshouses Charity

Report of the Trustee for the year ended 31 March 2023 (continued)

The business plan forecasts show that the charity has sufficient liquid funds in place that provide adequate resources to fund all committed capital expenditure and investment programmes together with day-to-day activities.

The charity's activities are expected to continue unchanged for the foreseeable future and the uncertainties considered, including the pandemic and the inflationary pressures described above, are not expected to have a material long term impact on the charity's financial viability. On this basis the Trustee has a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the financial statements are signed. Therefore, it continues to adopt the going concern basis in the financial statements.

Reserves policy

The Trustee has considered the need for an appropriate level of reserves in conjunction with the guidance issued by The Charity Commission.

In determining a reserve policy, the Trustee has identified core objectives to be met. These are as follows:

- the establishment of adequate free reserves (excluding fixed assets) to ensure that the Charity has adequate liquidity to meet any short-term fluctuations in occupancy levels or exceptional costs outside the scope of the budget; and
- the development of a strong balance sheet and positive cash flow to support the funding of the improvement of the existing property.

The level of reserves required is determined using comprehensive budgets and cash flow forecasts. Regular updates and monitoring of these documents are carried out to ensure that a surplus is achieved, and cash flow is adequate for the needs of the Charity. The benchmark for the free reserves for the Charity is between £400,000 and £500,000.

At the year end the Charity has total funds of £572,237 (2022: £558,639) of which £571,987 (2022: £558,389) is available at the discretion of the trustee and deemed as free reserves.

Risk management

The Trustee has identified the risks to which the Charity is exposed and, for each of these, an assessment has been made as to their impact, severity, and probability. Internal and external controls have been reviewed for effectiveness in mitigating these risks.

Systems have been established to manage the level of risk including the following:

- The review of major risk related incidents (and steps taken to address these) at each meeting of the Board and the Group Audit and Risk Committee of the Trustee.
- The internal control system is monitored and supported by external audit that is able to provide an independent perspective on the management of risk within the Charity.

The management and control of risk is an ongoing process in the Charity. Responsibility for ensuring that there are appropriate risk management and audit structures in place, and for reviewing those structures, is delegated to the Group Audit and Committee of the Trustee, which is a shared committee with the Bolton at Home Group.

James Ainsworth Almshouses Charity

Report of the Trustee for the year ended 31 March 2023 (*continued*)

Funding Source and Expenditure

The principal funding sources are charges for providing housing accommodation. Expenditure is all related to providing this accommodation.

Future developments

A stock condition survey has been completed which will inform future requirements for improvements to properties and programmes are being prepared accordingly.

Auditor

Following a retendering of the contract of external audit, new auditors, Azets Audit Services Limited have audited the current years accounts. A resolution for the re-appointment of Azets Audit Services Limited as auditors of the Association is to be proposed at the Annual General Meeting in line with the terms of the Charities Act 2011.



Arcon Housing Association Ltd
Trustee

Date: 21/09/2023

James Ainsworth Almshouses Charity

Trustee's responsibilities statement for the year ended 31 March 2023

The Trustee is responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

James Ainsworth Almshouses Charity

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF JAMES AINSWORTH ALMSHOUSES CHARITY

Opinion

We have audited the financial statements of James Ainsworth Almshouses Charity (the 'Charity') for the period ended 31 March 2023 which comprise the statement of financial activities, the statement of financial position and notes to the financial statements, including 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 surplus for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for 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 Trustee's 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 Trustee with respect to going concern are described in the relevant sections of this report

Other information

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

We have nothing to report in this regard.

James Ainsworth Almshouses Charity

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF JAMES AINSWORTH ALMSHOUSES CHARITY (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 require us to report to you if, in our opinion:

- the information given in the Trustee's Annual Report or the financial year for which the financial statements are prepared are not consistent with the financial statements; or
- adequate accounting records have not been kept; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustee

As explained more fully in the Trustee's responsibilities statement set out on page 4, the Trustee 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 members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustee 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 Trustee either intend to liquidate the Charity or to cease operations, or have 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

James Ainsworth Almshouses Charity

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF JAMES AINSWORTH ALMSHOUSES CHARITY (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the Charity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. 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.

Use of our report

This report is made solely to the Charity's trustee, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustee, as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Susanna Cassey (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Chartered Accountants

Statutory Auditor

21 September 2023

Fleet House
New Road
Lancaster
LA1 1EZ

James Ainsworth Almshouses Charity

Statement of financial activities for the year ended 31 March 2023

		Unrestricted	Total	Total
	Note	2023 £	2023 £	2022 £
Income from:				
Charitable activities	3	43,065	43,065	36,352
Investments	4	1,282	1,282	1,023
		<u>44,437</u>	<u>44,437</u>	<u>37,375</u>
Expenditure on:				
Charitable activities	5	28,391	28,391	34,441
		<u>28,391</u>	<u>28,391</u>	<u>34,441</u>
Net income before gains and transfers		15,956	15,956	2,934
(Loss)/Gains on investments	9	(2,358)	(2,358)	6,117
		<u>13,598</u>	<u>13,598</u>	<u>9,051</u>
Net movements in funds				
Reconciliation in funds				
Balance brought forward at 1 April 2022		558,639	558,639	549,588
Movement in funds		13,598	13,598	9,051
		<u>572,237</u>	<u>572,237</u>	<u>558,639</u>
Balance carried forward at 31 March 2023				

The notes on pages 10 to 18 form part of these financial statements.

James Ainsworth Almshouses Charity

Statement of financial position at 31 March 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	8		376,301		379,562
Investments	9		69,275		71,633
			<u>445,576</u>		<u>451,195</u>
Current assets					
Debtors	10	2,168		1,840	
Cash at bank		133,615		118,549	
		<u>135,783</u>		<u>120,389</u>	
Creditors: amounts falling due within one year	11	(9,122)		(12,945)	
Net current assets			<u>126,661</u>		<u>107,444</u>
Net assets			<u>572,237</u>		<u>558,639</u>
Funds					
Permanent endowed fund			250		250
<i>Unrestricted</i>					
Designated reserves		43,806		43,806	
General funds		528,181		514,583	
		<u>571,987</u>		<u>558,389</u>	
Total funds	12		<u>572,237</u>		<u>558,639</u>

The financial statements were approved by the Board of Trustee and authorised for issue on 21 September 2023

Arcon Housing Association Ltd
Trustee
Charity number 224838

The notes on pages 10 to 18 form part of these financial statements

James Ainsworth Almshouses Charity

Notes forming part of the financial statements for the year ended 31 March 2023

1 Accounting policies

Basis of preparation of accounts

The financial statements have been prepared in accordance with the Charities SORP 2nd Edition (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Charities SORP (FRS 102) and the Charities Act 2011.

All amounts are presented in pounds sterling and are rounded to the nearest £1.

The Trustee considers that the Charity meets the definition of a Public Benefit Entity under FRS102.

The following principal accounting policies have been applied:

Income

Income represents rental income receivable and other income. Income is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Rental income is recognised when the property is available for let, net of voids on a receivable basis.

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

Expenditure

Expenditure on charitable activities relates to all costs of providing housing accommodation. Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs. Support costs of the Charity represent the audit fees, administration costs and finance costs.

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

James Ainsworth Almshouses Charity

Notes forming part of the financial statements
for the year ended 31 March 2023 (continued)

1 Accounting policies (continued)

Housing Properties and Depreciation

Housing properties for rent are stated at cost less accumulated depreciation. Freehold land is not depreciated.

All properties are reviewed for impairment annually.

Where a housing property comprises two or more major components with substantially different useful economic lives, each component is accounted for separately and depreciated over its individual useful economic life. Expenditure relating to the subsequent replacement or renewal of components is capitalised as incurred.

Component	UEL
New build housing structure	- 125 years
External works	- 40 years
Roofs	- 60 years
Windows/Doors	- 40 years
Electrical	- 30 years
Bathrooms	- 30 years
Boilers	- 15 years
Heating systems (excluding boilers)	- 30 years
Kitchens	- 20 years

Impairment

Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified.

Following a trigger for impairment, the Charity performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions in an arm's length transaction on similar cash generating units (properties) or observable market prices less incremental costs for disposing of the properties. The value in use calculation is based on either a depreciated replacement cost or a discounted cash flow model. The depreciated replacement cost is based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential to the Charity as the existing property. The cash flows are derived from the business plan for the next 30 years and do not include restructuring activities that the Charity is not yet permitted to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Investments

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

James Ainsworth Almshouses Charity

Notes forming part of the financial statements for the year ended 31 March 2023 (*continued*)

1 Accounting policies (*continued*)

Financial Instruments

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

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

The Charity designates funds in relation to anticipated major and cyclical repairs. Transfers to Designated Funds are based on Management estimates of future costs. Actual expenditure is expensed to the Income and Expenditure Account as incurred and a corresponding release of funds is then made from the Designated Funds. The balance is reviewed periodically to ensure its adequacy.

2 Judgements and key sources of estimation and uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for income and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Going concern assessment

In the financial year 2022/23, the war in Ukraine has caused many supply side shortages, specifically for energy supplies which in turn has caused inflationary increases in a wide range of products and services. When reviewing the budget and forecasts the Trustee considered its impact, both specifically and on the UK economy, together with risks around principle economic assumptions and regulatory changes.

The business plan forecasts show that the charity has sufficient liquid funds and debt facilities in place that provide adequate resources to fund all committed capital expenditure and investment programmes together with day-to-day activities.

The charity's activities are expected to continue unchanged for the foreseeable future and the uncertainties considered, including the pandemic and the inflationary pressures described above, are not expected to have a material long term impact on the charity's financial viability. On this basis the Trustee has a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the financial statements are signed. Therefore, it continues to adopt the going concern basis in the financial statements.

James Ainsworth Almshouses Charity

Notes forming part of the financial statements
for the year ended 31 March 2023 (continued)

3	Income from charitable activities	Unrestricted 2023 £	Unrestricted 2022 £
	Housing accommodation and assistance	<u>43,065</u>	<u>36,352</u>
4	Investment income	Unrestricted 2023 £	Unrestricted 2022 £
	Interest and dividends on investment deposit accounts	<u>1,282</u>	<u>1,023</u>

James Ainsworth Almshouses Charity

Notes forming part of the financial statements
for the year ended 31 March 2023 (continued)

5 Expenditure on charitable activities

	2023 Direct £	2023 Support £	2023 Total £
Housing accommodation and assistance	17,302	11,089	28,391
	<hr/>	<hr/>	<hr/>
	2022 Direct £	2022 Support £	2022 Total £
Housing accommodation and assistance	23,699	10,742	34,441
	<hr/>	<hr/>	<hr/>

All expenditure on charitable activities was unrestricted in the current and prior year.

Direct costs on charitable activities:

	2023 £	2022 £
Repairs and maintenance	4,220	7,014
Property costs	4,694	2,288
Heat and light	1,954	1,738
Depreciation	5,422	9,860
Insurance	377	369
Other direct	635	2,430
	<hr/>	<hr/>
	17,302	23,699
	<hr/>	<hr/>

Total support costs:

Governance costs (which represent the support costs)

Audit fees	1,828	1,814
Admin and finance costs	73	97
Other support	9,188	8,832
	<hr/>	<hr/>
	11,089	10,743
	<hr/>	<hr/>

James Ainsworth Almshouses Charity

Notes forming part of the financial statements for the year ended 31 March 2023 (continued)

6 Auditors' remuneration

	2023 £	2022 £
In relation to audit of financial statements	1,828	1,800
Accountancy services	-	-
	<u>1,828</u>	<u>1,800</u>

During the year the audit fee was borne by James Ainsworth Almshouses. During the prior year the audit fee of £3,150 (2022) was borne by Arcon Housing Association and £1,800 (2022) was recharged to the Charity.

7 Trustee remuneration and expenses

During the year, the Trustee, Arcon Housing Association was paid a management fee of £9,188 (2022: 8,827). No other remuneration or expenses were paid to the Trustee during the current or prior year.

8 Tangible fixed assets

	Property £
<i>Cost</i>	
At 1 April 2022	506,784
Additions	2,161
Disposals	(2,723)
	<u>506,222</u>
At 31 March 2023	<u>506,222</u>
<i>Depreciation</i>	
At 1 April 2022	127,222
Charge for the year	5,422
Disposals	(2,723)
	<u>129,921</u>
At 31 March 2023	<u>129,921</u>
<i>Net book value</i>	
At 31 March 2023	<u>376,301</u>
At 31 March 2022	<u>379,562</u>

James Ainsworth Almshouses Charity

Notes forming part of the financial statements
for the year ended 31 March 2023 (continued)

9 Investments

	2023 £	2022 £
Market value at 1 April	71,633	65,516
Additions	-	-
Disposals	-	-
Gains/(Loss) on revaluation	(2,358)	6,117
	<hr/>	<hr/>
Market value at 31 March	69,275	71,633
	<hr/>	<hr/>
Historic cost	28,433	28,433
	<hr/>	<hr/>
Investments are represented by:		
Bonds	9,215	11,046
Equities	60,060	60,587
	<hr/>	<hr/>
	69,275	71,633
	<hr/>	<hr/>

10 Debtors

	2023 £	2022 £
Amounts due from related parties	-	-
Rent arrears	2,168	1,186
Other debtors	-	654
	<hr/>	<hr/>
	2,168	1,840
	<hr/>	<hr/>

11 Creditors: amounts falling due within one year

	2023 £	2022 £
Amounts due to related parties	4,758	5,171
Trade creditors	-	-
Tenants in credit	2,236	2,238
Accruals	2,128	5,536
	<hr/>	<hr/>
	9,122	12,945
	<hr/>	<hr/>

James Ainsworth Almshouses Charity

Notes forming part of the financial statements
for the year ended 31 March 2023 (continued)

12 Analysis of funds

	At 1 April 2022 £	Income £	Expenditure £	Gains and transfers £	At 31 March 2023 £
Unrestricted funds					
General	514,583	44,347	(28,391)	(2,358)	528,181
Designated	43,806	-	-	-	43,806
	<u>558,389</u>	<u>44,347</u>	<u>(28,391)</u>	<u>(2,358)</u>	<u>571,987</u>
Endowed funds					
Permanent endowed funds	250	-	-	-	250
	<u>250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250</u>
Total funds	<u>558,639</u>	<u>44,347</u>	<u>(28,391)</u>	<u>(2,358)</u>	<u>572,237</u>
	At 1 April 2021 £	Income £	Expenditure £	Gains and transfers £	At 31 March 2022 £
Unrestricted funds					
General	505,532	37,375	(34,441)	6,117	514,583
Designated	43,806	-	-	-	43,806
	<u>549,338</u>	<u>37,375</u>	<u>(34,441)</u>	<u>6,117</u>	<u>558,389</u>
Endowed funds					
Permanent endowed funds	250	-	-	-	250
	<u>250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250</u>
Total funds	<u>549,588</u>	<u>37,375</u>	<u>(34,441)</u>	<u>6,117</u>	<u>558,639</u>

General funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

The Charity designates funds in relation to anticipated major and cyclical repairs. Transfers to Designated Funds are based on Management estimates of future costs. Actual expenditure is expensed to the Income and Expenditure Account as incurred and a corresponding release of funds is then made from the Designated Funds. The balance is reviewed periodically to ensure its adequacy.

Endowed funds represent the historical cost of the amounts held in investments.

James Ainsworth Almshouses Charity

Notes forming part of the financial statements
for the year ended 31 March 2023 (continued)

13 Net assets

2023

	General £	Designated £	Endowed £	Total £
Tangible fixed assets	376,301			376,301
Investments	25,219	43,806	250	69,275
Debtors	2,168			2,168
Cash at bank	133,615	-	-	133,615
Creditors: amounts falling due in one year	(9,122)	-	-	(9,122)
	<u>528,181</u>	<u>43,806</u>	<u>250</u>	<u>572,237</u>

2022

Tangible fixed assets	379,562			379,562
Investments	27,577	43,806	250	71,633
Debtors	1,840			1,840
Cash at bank	118,549	-	-	118,549
Creditors: amounts falling due in one year	(12,945)	-	-	(12,945)
	<u>514,583</u>	<u>43,806</u>	<u>250</u>	<u>558,639</u>

14 Financial instruments

	2023 £	2022 £
Financial assets measured at fair value through profit and loss	<u>69,275</u>	<u>71,633</u>

Financial assets measured at fair value through profit and loss comprise current asset bonds and equity investments stated at market value.

15 Related party transactions

	Amounts due at start of year £	Receipts £	Payments £	Amounts due at end of year £
2023				
Arcon Housing	<u>5,171</u>	<u>26,593</u>	<u>(27,006)</u>	<u>4,758</u>
2022				
Arcon Housing	<u>10,092</u>	<u>19,814</u>	<u>(24,734)</u>	<u>5,171</u>

Arcon Housing Association is the sole trustee of the Charity. During the prior year Arcon Housing Association also donated professional services in relation to the audit and accounts fees of £1,800 (2022).

James Ainsworth Almshouses Charity

Trustee's Annual Report and Accounts

Year Ended

31 March 2023

Charity Number 224838

James Ainsworth Almshouses Charity

Trustee's report and financial statements for the year ended 31 March 2023

Contents

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8	Statement of financial activities
9	Statement of financial position
10	Notes forming part of the financial statements

Trustee

Arcon Housing Association Ltd

Almshouses Manager: Arcon Housing Association Ltd

Company secretary and registered office

Katrina Cunliffe, Quay West, Trafford Wharf Road, Manchester, M17 1HH

Charity number

224838

Solicitors

Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham, B3 2ES

Auditor

Azets Audit Services, Fleet House, New Road, Lancaster. LA1 1EZ

Bankers

CAF Bank, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ

James Ainsworth Almshouses Charity

Report of the Trustee for the year ended 31 March 2023

The Trustee presents the annual report and the audited financial statements for the year ended 31 March 2023. The Trustee has adopted the provisions of the Charities SORP 2nd Edition (FRS 102) in preparing the annual report and financial statements of the charity.

Structure, Governance and Management

Arcon Housing Association were appointed as Trustee on 1st June 2006. The Trustee was previously The Orders of St John Trustee Company.

Structure and activities

The Charity, which is registered with The Charity Commission, is unincorporated and has as its constitution a declaration of trust dated 2 March 1968 (as amended).

In addition, the Charity holds funds and investments with a view to the further development of its charitable aims.

Organisation

The Board of Arcon Housing Association meets six times a year and carries out an Annual Review.

As Corporate Trustee, the trustee meets at least twice a year to discuss performance, budgets and business plans and approve the financial statements.

Objectives and Activities

The Charitable objects of the Charity are:

- to provide housing accommodation and assistance to help house people who are elderly or disabled and associated facilities and amenities for such people or the relief of the aged, disabled: and
- to further such general charitable objects as the Trustee may determine.

Financial review

The total incoming resources were £44,347 for the year to 31st March 2023 (2022: £37,375), producing an operating surplus of £15,956 (2022: £2,934). Losses on investments resulted in a surplus of £13,598 for the 12-month period to 31st March 2023 (2022: surplus of £9,051). Accumulated surpluses held in general funds were £528,181 (2022: £514,583).

Going concern

In the financial year 2022/23, the war in Ukraine has caused many supply side shortages, specifically for energy supplies which in turn has caused inflationary increases in a wide range of products and services.

When reviewing the budget and forecasts the Trustee considered its impact, both specifically and on the UK economy, together with risks around principle economic assumptions and regulatory changes.

James Ainsworth Almshouses Charity

Report of the Trustee for the year ended 31 March 2023 (continued)

The business plan forecasts show that the charity has sufficient liquid funds in place that provide adequate resources to fund all committed capital expenditure and investment programmes together with day-to-day activities.

The charity's activities are expected to continue unchanged for the foreseeable future and the uncertainties considered, including the pandemic and the inflationary pressures described above, are not expected to have a material long term impact on the charity's financial viability. On this basis the Trustee has a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the financial statements are signed. Therefore, it continues to adopt the going concern basis in the financial statements.

Reserves policy

The Trustee has considered the need for an appropriate level of reserves in conjunction with the guidance issued by The Charity Commission.

In determining a reserve policy, the Trustee has identified core objectives to be met. These are as follows:

- the establishment of adequate free reserves (excluding fixed assets) to ensure that the Charity has adequate liquidity to meet any short-term fluctuations in occupancy levels or exceptional costs outside the scope of the budget; and
- the development of a strong balance sheet and positive cash flow to support the funding of the improvement of the existing property.

The level of reserves required is determined using comprehensive budgets and cash flow forecasts. Regular updates and monitoring of these documents are carried out to ensure that a surplus is achieved, and cash flow is adequate for the needs of the Charity. The benchmark for the free reserves for the Charity is between £400,000 and £500,000.

At the year end the Charity has total funds of £572,237 (2022: £558,639) of which £571,987 (2022: £558,389) is available at the discretion of the trustee and deemed as free reserves.

Risk management

The Trustee has identified the risks to which the Charity is exposed and, for each of these, an assessment has been made as to their impact, severity, and probability. Internal and external controls have been reviewed for effectiveness in mitigating these risks.

Systems have been established to manage the level of risk including the following:

- The review of major risk related incidents (and steps taken to address these) at each meeting of the Board and the Group Audit and Risk Committee of the Trustee.
- The internal control system is monitored and supported by external audit that is able to provide an independent perspective on the management of risk within the Charity.

The management and control of risk is an ongoing process in the Charity. Responsibility for ensuring that there are appropriate risk management and audit structures in place, and for reviewing those structures, is delegated to the Group Audit and Committee of the Trustee, which is a shared committee with the Bolton at Home Group.

James Ainsworth Almshouses Charity

Report of the Trustee for the year ended 31 March 2023 (continued)

Funding Source and Expenditure

The principal funding sources are charges for providing housing accommodation. Expenditure is all related to providing this accommodation.

Future developments

A stock condition survey has been completed which will inform future requirements for improvements to properties and programmes are being prepared accordingly.

Auditor

Following a retendering of the contract of external audit, new auditors, Azets Audit Services Limited have audited the current years accounts. A resolution for the re-appointment of Azets Audit Services Limited as auditors of the Association is to be proposed at the Annual General Meeting in line with the terms of the Charities Act 2011.



**Arcon Housing Association Ltd
Trustee**

Date: 21/09/2023

James Ainsworth Almshouses Charity

Trustee's responsibilities statement for the year ended 31 March 2023

The Trustee is responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

James Ainsworth Almshouses Charity

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF JAMES AINSWORTH ALMSHOUSES CHARITY

Opinion

We have audited the financial statements of James Ainsworth Almshouses Charity (the 'Charity') for the period ended 31 March 2023 which comprise the statement of financial activities, the statement of financial position and notes to the financial statements, including 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 surplus for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for 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 Trustee's 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 Trustee with respect to going concern are described in the relevant sections of this report

Other information

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

We have nothing to report in this regard.

James Ainsworth Almshouses Charity

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF JAMES AINSWORTH ALMSHOUSES CHARITY (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 require us to report to you if, in our opinion:

- the information given in the Trustee's Annual Report or the financial year for which the financial statements are prepared are not consistent with the financial statements; or
- adequate accounting records have not been kept; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustee

As explained more fully in the Trustee's responsibilities statement set out on page 4, the Trustee 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 members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustee 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 Trustee either intend to liquidate the Charity or to cease operations, or have 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

James Ainsworth Almshouses Charity

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF JAMES AINSWORTH ALMSHOUSES CHARITY (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the Charity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. 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.

Use of our report

This report is made solely to the Charity's trustee, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustee, as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Susanna Cassey (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Chartered Accountants

Statutory Auditor

21 September 2023

**Fleet House
New Road
Lancaster
LA1 1EZ**

James Ainsworth Almshouses Charity

Statement of financial activities for the year ended 31 March 2023

		Unrestricted	Total	Total
	Note	2023 £	2023 £	2022 £
Income from:				
Charitable activities	3	43,065	43,065	36,352
Investments	4	1,282	1,282	1,023
		<u>44,437</u>	<u>44,437</u>	<u>37,375</u>
Expenditure on:				
Charitable activities	5	28,391	28,391	34,441
		<u>28,391</u>	<u>28,391</u>	<u>34,441</u>
Net income before gains and transfers		15,956	15,956	2,934
(Loss)/Gains on investments	9	(2,358)	(2,358)	6,117
		<u>13,598</u>	<u>13,598</u>	<u>9,051</u>
Net movements in funds				
Reconciliation in funds				
Balance brought forward at 1 April 2022		558,639	558,639	549,588
Movement in funds		13,598	13,598	9,051
		<u>572,237</u>	<u>572,237</u>	<u>558,639</u>
Balance carried forward at 31 March 2023				

The notes on pages 10 to 18 form part of these financial statements.

James Ainsworth Almshouses Charity

Statement of financial position at 31 March 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	8		376,301		379,562
Investments	9		69,275		71,633
			<u>445,576</u>		<u>451,195</u>
Current assets					
Debtors	10	2,168		1,840	
Cash at bank		133,615		118,549	
		<u>135,783</u>		<u>120,389</u>	
Creditors: amounts falling due within one year	11	(9,122)		(12,945)	
Net current assets			<u>126,661</u>		<u>107,444</u>
Net assets			<u>572,237</u>		<u>558,639</u>
Funds					
Permanent endowed fund			250		250
<i>Unrestricted</i>					
Designated reserves		43,806		43,806	
General funds		528,181		514,583	
		<u>571,987</u>		<u>558,389</u>	
Total funds	12		<u>572,237</u>		<u>558,639</u>

The financial statements were approved by the Board of Trustee and authorised for issue on 21 September 2023

Arcon Housing Association Ltd
Trustee
Charity number 224838

The notes on pages 10 to 18 form part of these financial statements

James Ainsworth Almshouses Charity

Notes forming part of the financial statements for the year ended 31 March 2023

1 Accounting policies

Basis of preparation of accounts

The financial statements have been prepared in accordance with the Charities SORP 2nd Edition (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Charities SORP (FRS 102) and the Charities Act 2011.

All amounts are presented in pounds sterling and are rounded to the nearest £1.

The Trustee considers that the Charity meets the definition of a Public Benefit Entity under FRS102.

The following principal accounting policies have been applied:

Income

Income represents rental income receivable and other income. Income is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Rental income is recognised when the property is available for let, net of voids on a receivable basis.

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

Expenditure

Expenditure on charitable activities relates to all costs of providing housing accommodation. Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs. Support costs of the Charity represent the audit fees, administration costs and finance costs.

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

James Ainsworth Almshouses Charity

Notes forming part of the financial statements
for the year ended 31 March 2023 (continued)

1 Accounting policies (continued)

Housing Properties and Depreciation

Housing properties for rent are stated at cost less accumulated depreciation. Freehold land is not depreciated.

All properties are reviewed for impairment annually.

Where a housing property comprises two or more major components with substantially different useful economic lives, each component is accounted for separately and depreciated over its individual useful economic life. Expenditure relating to the subsequent replacement or renewal of components is capitalised as incurred.

Component	UEL
New build housing structure	- 125 years
External works	- 40 years
Roofs	- 60 years
Windows/Doors	- 40 years
Electrical	- 30 years
Bathrooms	- 30 years
Boilers	- 15 years
Heating systems (excluding boilers)	- 30 years
Kitchens	- 20 years

Impairment

Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified.

Following a trigger for impairment, the Charity performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions in an arm's length transaction on similar cash generating units (properties) or observable market prices less incremental costs for disposing of the properties. The value in use calculation is based on either a depreciated replacement cost or a discounted cash flow model. The depreciated replacement cost is based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential to the Charity as the existing property. The cash flows are derived from the business plan for the next 30 years and do not include restructuring activities that the Charity is not yet permitted to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Investments

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

James Ainsworth Almshouses Charity

Notes forming part of the financial statements for the year ended 31 March 2023 (*continued*)

1 Accounting policies (*continued*)

Financial Instruments

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

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

The Charity designates funds in relation to anticipated major and cyclical repairs. Transfers to Designated Funds are based on Management estimates of future costs. Actual expenditure is expensed to the Income and Expenditure Account as incurred and a corresponding release of funds is then made from the Designated Funds. The balance is reviewed periodically to ensure its adequacy.

2 Judgements and key sources of estimation and uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for income and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Going concern assessment

In the financial year 2022/23, the war in Ukraine has caused many supply side shortages, specifically for energy supplies which in turn has caused inflationary increases in a wide range of products and services. When reviewing the budget and forecasts the Trustee considered its impact, both specifically and on the UK economy, together with risks around principle economic assumptions and regulatory changes.

The business plan forecasts show that the charity has sufficient liquid funds and debt facilities in place that provide adequate resources to fund all committed capital expenditure and investment programmes together with day-to-day activities.

The charity's activities are expected to continue unchanged for the foreseeable future and the uncertainties considered, including the pandemic and the inflationary pressures described above, are not expected to have a material long term impact on the charity's financial viability. On this basis the Trustee has a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the financial statements are signed. Therefore, it continues to adopt the going concern basis in the financial statements.

James Ainsworth Almshouses Charity

Notes forming part of the financial statements
for the year ended 31 March 2023 (*continued*)

3 Income from charitable activities

	Unrestricted 2023 £	Unrestricted 2022 £
Housing accommodation and assistance	<u>43,065</u>	<u>36,352</u>

4 Investment income

	Unrestricted 2023 £	Unrestricted 2022 £
Interest and dividends on investment deposit accounts	<u>1,282</u>	<u>1,023</u>

James Ainsworth Almshouses Charity

Notes forming part of the financial statements
for the year ended 31 March 2023 (continued)

5 Expenditure on charitable activities

	2023 Direct £	2023 Support £	2023 Total £
Housing accommodation and assistance	17,302	11,089	28,391
	<hr/>	<hr/>	<hr/>
	2022 Direct £	2022 Support £	2022 Total £
Housing accommodation and assistance	23,699	10,742	34,441
	<hr/>	<hr/>	<hr/>

All expenditure on charitable activities was unrestricted in the current and prior year.

Direct costs on charitable activities:

	2023 £	2022 £
Repairs and maintenance	4,220	7,014
Property costs	4,694	2,288
Heat and light	1,954	1,738
Depreciation	5,422	9,860
Insurance	377	369
Other direct	635	2,430
	<hr/>	<hr/>
	17,302	23,699
	<hr/>	<hr/>

Total support costs:

Governance costs (which represent the support costs)

Audit fees	1,828	1,814
Admin and finance costs	73	97
Other support	9,188	8,832
	<hr/>	<hr/>
	11,089	10,743
	<hr/>	<hr/>

James Ainsworth Almshouses Charity

Notes forming part of the financial statements for the year ended 31 March 2023 (continued)

6 Auditors' remuneration

	2023 £	2022 £
In relation to audit of financial statements	1,828	1,800
Accountancy services	-	-
	<u>1,828</u>	<u>1,800</u>

During the year the audit fee was borne by James Ainsworth Almshouses. During the prior year the audit fee of £3,150 (2022) was borne by Arcon Housing Association and £1,800 (2022) was recharged to the Charity.

7 Trustee remuneration and expenses

During the year, the Trustee, Arcon Housing Association was paid a management fee of £9,188 (2022: 8,827). No other remuneration or expenses were paid to the Trustee during the current or prior year.

8 Tangible fixed assets

	Property £
<i>Cost</i>	
At 1 April 2022	506,784
Additions	2,161
Disposals	(2,723)
	<u>506,222</u>
At 31 March 2023	<u>506,222</u>
<i>Depreciation</i>	
At 1 April 2022	127,222
Charge for the year	5,422
Disposals	(2,723)
	<u>129,921</u>
At 31 March 2023	<u>129,921</u>
<i>Net book value</i>	
At 31 March 2023	<u>376,301</u>
At 31 March 2022	<u>379,562</u>

James Ainsworth Almshouses Charity

Notes forming part of the financial statements
for the year ended 31 March 2023 (continued)

9 Investments

	2023 £	2022 £
Market value at 1 April	71,633	65,516
Additions	-	-
Disposals	-	-
Gains/(Loss) on revaluation	(2,358)	6,117
	<hr/>	<hr/>
Market value at 31 March	69,275	71,633
	<hr/>	<hr/>
Historic cost	28,433	28,433
	<hr/>	<hr/>
Investments are represented by:		
Bonds	9,215	11,046
Equities	60,060	60,587
	<hr/>	<hr/>
	69,275	71,633
	<hr/>	<hr/>

10 Debtors

	2023 £	2022 £
Amounts due from related parties	-	-
Rent arrears	2,168	1,186
Other debtors	-	654
	<hr/>	<hr/>
	2,168	1,840
	<hr/>	<hr/>

11 Creditors: amounts falling due within one year

	2023 £	2022 £
Amounts due to related parties	4,758	5,171
Trade creditors	-	-
Tenants in credit	2,236	2,238
Accruals	2,128	5,536
	<hr/>	<hr/>
	9,122	12,945
	<hr/>	<hr/>

James Ainsworth Almshouses Charity

Notes forming part of the financial statements
for the year ended 31 March 2023 (continued)

12 Analysis of funds

	At 1 April 2022 £	Income £	Expenditure £	Gains and transfers £	At 31 March 2023 £
Unrestricted funds					
General	514,583	44,347	(28,391)	(2,358)	528,181
Designated	43,806	-	-	-	43,806
	<u>558,389</u>	<u>44,347</u>	<u>(28,391)</u>	<u>(2,358)</u>	<u>571,987</u>
Endowed funds					
Permanent endowed funds	250	-	-	-	250
	<u>250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250</u>
Total funds	<u>558,639</u>	<u>44,347</u>	<u>(28,391)</u>	<u>(2,358)</u>	<u>572,237</u>
	At 1 April 2021 £	Income £	Expenditure £	Gains and transfers £	At 31 March 2022 £
Unrestricted funds					
General	505,532	37,375	(34,441)	6,117	514,583
Designated	43,806	-	-	-	43,806
	<u>549,338</u>	<u>37,375</u>	<u>(34,441)</u>	<u>6,117</u>	<u>558,389</u>
Endowed funds					
Permanent endowed funds	250	-	-	-	250
	<u>250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250</u>
Total funds	<u>549,588</u>	<u>37,375</u>	<u>(34,441)</u>	<u>6,117</u>	<u>558,639</u>

General funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

The Charity designates funds in relation to anticipated major and cyclical repairs. Transfers to Designated Funds are based on Management estimates of future costs. Actual expenditure is expensed to the Income and Expenditure Account as incurred and a corresponding release of funds is then made from the Designated Funds. The balance is reviewed periodically to ensure its adequacy.

Endowed funds represent the historical cost of the amounts held in investments.

James Ainsworth Almshouses Charity

Notes forming part of the financial statements
for the year ended 31 March 2023 (continued)

13 Net assets

2023

	General £	Designated £	Endowed £	Total £
Tangible fixed assets	376,301			376,301
Investments	25,219	43,806	250	69,275
Debtors	2,168			2,168
Cash at bank	133,615	-	-	133,615
Creditors: amounts falling due in one year	(9,122)	-	-	(9,122)
	<u>528,181</u>	<u>43,806</u>	<u>250</u>	<u>572,237</u>

2022

Tangible fixed assets	379,562			379,562
Investments	27,577	43,806	250	71,633
Debtors	1,840			1,840
Cash at bank	118,549	-	-	118,549
Creditors: amounts falling due in one year	(12,945)	-	-	(12,945)
	<u>514,583</u>	<u>43,806</u>	<u>250</u>	<u>558,639</u>

14 Financial instruments

	2023 £	2022 £
Financial assets measured at fair value through profit and loss	<u>69,275</u>	<u>71,633</u>

Financial assets measured at fair value through profit and loss comprise current asset bonds and equity investments stated at market value.

15 Related party transactions

	Amounts due at start of year £	Receipts £	Payments £	Amounts due at end of year £
2023				
Arcon Housing	<u>5,171</u>	<u>26,593</u>	<u>(27,006)</u>	<u>4,758</u>
2022				
Arcon Housing	<u>10,092</u>	<u>19,814</u>	<u>(24,734)</u>	<u>5,171</u>

Arcon Housing Association is the sole trustee of the Charity. During the prior year Arcon Housing Association also donated professional services in relation to the audit and accounts fees of £1,800 (2022).

Private & Confidential

Our ref: SC/AHM/C-10011797

The Board Members
Bolton At Home Limited
98 Waters Meeting Road
Bolton
BL1 8SW

31 August 2023

Dear Sirs

Bolton at Home Limited and its subsidiaries
Audit findings for the year ended 31 March 2023

This Audit Findings Letter highlights the significant findings arising from the audit, for the benefit of those charged with governance. We appreciate that you may be aware of some of the matters contained in this report, however as required by International Standard on Auditing (UK) 260 we are required to communicate such matters to you formally.

As auditors we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) (ISAs (UK)), which is directed towards forming and expressing an opinion on the financial statements that have been prepared on behalf of management with the oversight of those charged with governance. The audit of the company's financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

This letter has been provided on the basis that it is for the information of the Board and management of Bolton at Home Ltd and its subsidiaries only and that it will not be distributed to others, quoted or referred to, in whole or in part, without our prior written consent.

Audit status and audit opinion

Our audit work is substantially complete and there are currently no matters which would require modification of our audit report, subject to the outstanding matters detailed below.

- Letter of supports for going concern status
- Receipt of signed management letters of representation
- Receipt of signed financial statements

We do not propose any modifications to our audit opinions which are unqualified.

We are an accounting, tax, audit, advisory and business services group that delivers a personal experience both digitally and at your door.

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Significant findings

Findings related to significant risks

Significant risks are defined by professional standards as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, we consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Audit approach and conclusions
Management override of controls Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk is nevertheless present in all entities. Due to the unpredictable way in which such override could occur, it is a risk of material misstatement due to fraud and thus a significant risk. Risk of material misstatement: High	Our audit testing included a review of and detailed journals testing as well as a review of accounting estimates used and the rationale behind them. We did not identify evidence of management override of controls.
Going Concern In line with the approach required by ISA 570, going concern has been identified as a significant risk. Risk of material misstatement: High	For each entity we reviewed and assessed post year end forecasts and performance to analyse the ability of the entities to be a going concern for the next 12 months. We also factored in available funding and each entities funding needs for the next 12 months. On the basis Bolton at Home are willing to provide a letter of support to: <ul style="list-style-type: none">• Maxmedia Communications Ltd,• R-Haus Living Ltd, and• Stonecross Homes Ltd, then all entities would appear to be a going concern.

Other identified risks

Risk	Audit approach
Fraud in revenue recognition Material misstatement due to fraudulent financial reporting relating to revenue recognition is a presumed risk in ISA 240 (The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements). Inherent risk of material misstatement: <ul style="list-style-type: none">• Accuracy: High• Completeness: High• Cut off: High	We have performed detailed substantive audit testing on income streams during and around the year end. We haven't noted any errors from our testing to report. Please see Appendix III for an observed internal control deficiency.

Provisions for disrepairs and repair and improvements

The provision is a material estimate in the financial statements therefore at risk of material misstatement.

Inherent risk of material misstatement:

- **Completeness: High**

We obtained and reviewed the basis of the calculations and corroborated back to appropriate supporting evidence.

We did not note any management bias in the assumptions used to estimate the provision required.

Please see Bolton at Home's Letter of Representation where we have documented a point on the provisions.

Valuation of fixed assets

The value of investment properties should be reviewed annually.

There are properties held for sale which could be held at an overstated value in the financial statements.

Inherent risk of material misstatement:

- **Valuation: High**

We have reviewed the external valuation reports and compared these to the carrying values of fixed assets, investment properties and properties held for sale. We also considered impairment indicators and reviewed the external valuer's experience and independence from the Bolton at Home Group.

We have not noted anything to report based on our work.

Defined benefit pension scheme

There is a risk that the liability and disclosures in respect of the defined benefit pension scheme with Greater Manchester Pension Fund may be materially misstated.

We have reviewed the actuarial valuation report including the assumptions which underpin the calculation. We have also reviewed the actuary's experience and independence from the Bolton at Home Group.

The financials and disclosures are consistent with the valuation report that has been provided.

Please see Opening Balances for comments on the defined benefit pension scheme opening balance adjustment.

Opening balances

As Azets Audit Services was not the auditor in the previous financial year, there is a risk that the 2023 audit report would need to be modified if we did not obtain sufficient appropriate evidence to support the opening balances, and therefore the movement in the year ended 31 March 2023, are free from material misstatement.

We have reviewed the prior year auditor's working papers and audit reports. We have undertaken testing on the Balance Sheet where appropriate for opening items.

Before the audit fieldwork commenced, management identified and highlighted a variance on the defined benefit pension scheme between the report and the financial statements. A second version of the actuarial valuation report was issued in July 2022 however the amendments did not get updated in the financial statements before signing in September 2022. Management discussed this with us and we agreed that given the magnitude of the financial impact, a prior period adjustment was necessary. The adjustment was favourable, to the amount of £2.851m.

At both Group and Association level, the:

- statement of comprehensive income,
- statement of changes in reserves,
- balance sheet, and
- supporting notes

have all been adjusted to reflect this prior period adjustment.

There were no changes to our audit plan previously communicated to you.

Going concern

We concur with management's assessment that it is appropriate to continue to adopt the going concern basis and there are no material uncertainties relating to going concern which should be disclosed in the financial statements.

Please see the going concern section, under Significant Findings, for our comments on the necessary letters of support which are needed to support this conclusion.

Accounting policies, estimates and disclosures

The accounting policies used in preparing the financial statements are unchanged from the previous year.


Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies and estimation techniques adopted by the company. We found the disclosed accounting policies, significant accounting estimates and the overall disclosure and presentation to be appropriate for the company.

Other communication requirements

Fraud or suspected fraud

We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit.

Our work as auditor is not intended to identify any instances of fraud of a non-material nature and should not be relied upon for this purpose. In the event that the directors wish to obtain enhanced assurance with regard to the effectiveness of internal control in preventing and detecting fraud we should be happy to provide additional services.



Non-compliance with laws and regulations

As part of our standard audit testing, we have reviewed the laws and regulations impacting the business. There are no indications from this work of any significant incidences of non-compliance or material breaches of laws and regulations stopping the business from continuing as a going concern or that would necessitate a provision or contingent liability.

There are also many other laws and regulations relating to health and safety as well as human resources generally and industry specific requirements. We are not aware of any significant incidences of non-compliance.

Written representations

We enclose the draft letters of representation which we will request the Board to sign at the same time as the financial statements are approved.

Related parties

We are not aware of any related party transactions which have not been disclosed.

Confirmations from third parties

All requested confirmations have been received for which we undertook alternative audit procedures.

Misstatements

We are required to inform you of any significant misstatements within the financial statements presented for audit that have been discovered during the course of our audit. Details of items corrected following discussions with management are set out in Appendix I.

In addition, a number of non-trivial uncorrected misstatements were discovered during the course of our audit and a summary of these can be found within Appendix II to this letter.

Internal controls

The purpose of an audit is to express an opinion on the financial statements. As part of our work we considered internal controls relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. However, this work was not for the purpose of expressing an opinion on the effectiveness of internal controls.

We are required to report to you in writing, significant deficiencies in internal controls that we have identified during the audit. These matters are limited to those which we have concluded are of sufficient importance to merit being reported to you.

The scope of our work is not designed to be an extensive review of all internal controls. If we had performed more extensive procedures, we might have identified more deficiencies than those reported in Appendix III below.

Independence

In accordance with our profession's ethical guidance and further to our audit letter to you dated 22 February 2023 confirming audit planning arrangements there are no further matters to bring to your attention in relation to our integrity, objectivity and independence.

We confirm that Azets Audit Services and the engagement team complied with the FRC's Ethical Standards. We confirm that all threats to our independence have been properly addressed through appropriate safeguards and that we are independent and able to express an objective opinion on the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements. We do not accept any responsibility for any loss occasioned to any third party acting



or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We would like to take this opportunity to record our appreciation for the kind assistance provided by your team during our audit.

If we can be of any further assistance, please contact Susanna Cassey and Adam Hilton-Mason.

Yours faithfully,

Azets Audit Services



Appendix I

Corrected misstatements

Bolton at Home Ltd

No	Detail	Profit and loss account		Balance Sheet		Profit effect £
		Dr £	Cr £	Dr £	Cr £	
1	Correct presentation of deferred, other and recycled capital grants			1,672,417	(1,672,417)	-
2	Reclassify a portion of the bad debt provision to other debtors rather than rent debtors			991,491	(991,491)	-

Bolton at Home Ltd - prior period error (FY 2022)

No	Detail	Profit and loss account		Balance Sheet		Profit effect £
		Dr £	Cr £	Dr £	Cr £	
	Total comprehensive income per FY22 signed accounts					66,679,000
1	Correction for the defined benefit pension valuation		(2,851,000)		2,851,000	2,851,000
	Restated total comprehensive income for FY22					69,530,000

Starts With You

No	Detail	Profit and loss account		Balance Sheet		Profit effect £
		Dr £	Cr £	Dr £	Cr £	
1	Reclassify balance to group creditors			4,000	4,000	-

Maxmedia Communications

No	Detail	Profit and loss account		Balance Sheet		Profit effect
		Dr £	Cr £	Dr £	Cr £	£
1	Recognise the corporation and deferred tax charges per the computation		(9,955)	10,728	(773)	9,955

There were no adjustments made as a result of the audit in the following entities:

- Arcon Housing Association
- R-Haus Living
- Stonecross Homes
- Dixon Almshouse
- James Ainsworth
- Fairfield Moravian

Appendix II

Unadjusted misstatements

Stonecross Homes Ltd

No	Detail	Profit and loss account		Balance Sheet		Profit effect
		Dr £	Cr £	Dr £	Cr £	£
1	VAT reclassification between current assets and liabilities			5,783	5,783	-
	Net effect to audited profit/(loss)					-

There were no unadjusted items identified as a result of the audit in the following entities:

- Bolton at Home
- Arcon Housing Association
- Maxmedia Communications
- R-Haus Living
- Starts With You
- Dixon Almshouse
- James Ainsworth
- Fairfield Moravian

We have discussed the uncorrected misstatements with management and have confirmed that individually and in aggregate the effect is not material.

Appendix III

Internal controls

Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we have reported these to you below.

Key: **Significant deficiency** in internal control, **Other deficiency** in internal control, **Other observations** from the audit

Area	Observation	Implication	Recommendation	Management response
No significant deficiencies noted				
Tenancy Agreements	<p>As part of our revenue testing on Bolton at Home, there were 3 tenancy agreements out of 54 which could not be located.</p> <p>From discussions with management, there is a risk that these were lost as part of the electronic transfer.</p>	<p>There could be disputes further down the line with no tenancy agreement to support any claim/action the business may need to take.</p>	<p>Given the volume of tenancy agreements, we recommend that random spot checks are performed on existing tenants to ensure appropriate and necessary documentation is held in place.</p>	<p>Agreed and an internal audit is planned to test sign up procedures and document checks and storage.</p>
Land Registry	<p>As part of our testing of properties in R-Haus Living, we identified that the Swinton Vale properties land registry's were never transferred from the previous owners into R-Haus Living name.</p> <p>From discussions with management, it was identified that the solicitor had failed to do the necessary transfer.</p>	<p>Legal ownership on the title deeds were not transferred.</p>	<p>Checks are undertaken internally on new properties acquired going forward to ensure that all documentation have been appropriately updated.</p>	<p>Agreed.</p>

Employee Numbers	<p>We observed that the limited company entities are calculating and presenting the employee numbers disclosure on a full time equivalent basis rather than an average basis.</p> <p>This is done for ease of consolidating the employee numbers.</p>	<p>Employee numbers is one of the key metrics for determining a company size, so there is a risk that the financial statements are prepared on the incorrect basis.</p>	<p>We recommend that the limited company entities prepare both average and full time equivalent calculations for employee numbers.</p>	<p>Agreed. All the commercial subsidiaries will be asked to prepare employee numbers on both bases.</p>
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