

MEGGS' ALMSHOUSE CHARITY

REPORT OF THE TRUSTEE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

**REGISTERED OFFICE
29-35 West Ham Lane
Stratford
London E15 4PH**

**CHARITY NO. 234706
ALMSHOUSE NO. M239**

**MEGGS' ALMSHOUSE CHARITY
FOR THE YEAR ENDED 30 JUNE 2022**

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MEGGS' ALMSHOUSE CHARITY

TRUSTEES, INDEPENDENT EXAMINER AND BANKERS

CORPORATE TRUSTEE

Directors/Officers representatives at London & Quadrant Housing Trust

Henry Potter (Director of Governance)

Amy Gilham (Assistant Director Group Financial Reporting)

Ross Stone (Head of Business Partnering)

Jennifer Marius (Head of Housing)

REGISTERED OFFICE

29-35 West Ham Lane

Stratford

London E15 4PH

INDEPENDENT EXAMINER

Elizabeth Hatchman ACA

Beever and Struthers

Chartered Accountants

15 Bunhill Row

London

EC1Y 8LP

BANKERS

CAF BANK

25 Kings Hill Avenue

Kings Hill

West Malling

Kent

ME19 4JQ

Barclays Bank PLC

1 Bank Street

Braintree

Essex CM1 3WT

REGISTRATIONS

Charity Commission: Registration Number

234706

Almshouse Membership Number

M239

MEGGS' ALMSHOUSE CHARITY
REPORT OF THE BOARD OF TRUSTEE
FOR THE YEAR ENDED 30 JUNE 2022

General Information

1. The charity is the Meggs' Almshouse Charity with the charity number 234706.
2. Meggs' Almshouse Charity is an almshouse charity regulated by a scheme of the Charity Commission dated 1960 as varied on the 29th August 1980, 6th March 1989, and 30th May 2003.
3. The charity has a single corporate trustee which delegates its authority to an appropriate person on a day-to-day basis. For this reason, there are no standalone policies and procedures required for the recruitment, appointment or induction of new trustees.

Statement of Trustee responsibilities in respect of the financial statements

The Trustee present their report and reviewed financial statements for the year ended 30 June 2022.

The Trustee is responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources 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;
- observe the methods and principles in the Charities SORP;
- make judgments 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 Trustee is responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts Reports) Regulations 2008 and trust deed. They are also responsible for safeguarding the charity's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee confirms that they have complied with their duty under section 17 of the Charities Act 2011 regarding public benefit guidance published by the Charity Commission.

The Trustee confirms that they have complied with all relevant laws and regulations.

Results and review of the year

Rental income increased in line with September 2021 CPI plus 1%, and new service charges estimates in April 2022 added additional income to the revenue for the year.

Most of the maintenance spend relates to void properties due to increased property voids in the year. Arrears in the year significantly increased due to several tenants missing rent payments. Additional support is offered to residents in arrears through L&Q's Pound Advise service and help with a payment plan.

The appointment of new contractors has resulted in reduced costs on some communal services and property maintenance. The slow mobilisation of some contractors further reduced maintenance spending in the year.

There was an unrealised loss in investments of £3,094 in line with general stock market trends.

Reserves policy

At year-end, total charity funds are at £326,803 (2021: £303,207) of which £6,183 (2021: £6,183) relates to an endowment reserve. The Trustees consider that the charity should hold reserves equal to 12 months' running costs. The current reserves are sufficient.

Principal Activities

Meggs Almshouse Charity is a registered charity owning properties at 271-275 Upton Lane. The day-to-day management and the provision of housing services are undertaken by L&Q Living Ltd, a subsidiary of London & Quadrant Housing Trust. Meggs Almshouse consists of 3 blocks of flats. Each block has four self-contained units. The property is designed to accommodate the elderly.

MEGGS' ALMSHOUSE CHARITY
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2022
Continued

Our Aims and Objectives

The Charity's purposes are primarily to provide accommodation and support to the elderly residents of the almshouse in Upton Lane, East London.

In meeting its objectives the charity may help elderly people in need by letting property and supporting them in their day-to-day lives.

How do our activities deliver public benefit?

All of our charitable activities focus on the provision of housing accommodation and support within the 12 almshouses in Upton Lane and are undertaken to further our charitable purposes for the public benefit.

This Report was approved by the Trustee on **13th December 2022** and signed on its behalf by:-

Director:

Henry Potter

Head of Business Partnering:

Ross Stone



MEGGS' ALMSHOUSE CHARITY

**REPORT OF THE INDEPENDENT EXAMINER
FOR THE YEAR ENDED 30 JUNE 2022**

I report to the charity trustee on my examination of the financial statement of the charity for the year ended 30 June 2022 which are set out on pages 7 to 15.

Respective responsibilities of trustees and examiner

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

I report in respect of my examination of the charity's financial statement carried out under section 145 of the 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 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 charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of financial statements set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the financial statements 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 financial statements to be reached.



Elizabeth Hatchman ACA
Beever and Struthers
Chartered Accountants
15 Bunhill Row
London
EC1Y 8LP

Date 19 December 2022

MEGGS' ALMSHOUSE CHARITY

**BALANCE SHEET
FOR THE YEAR ENDED 30 JUNE 2022**

| | Notes | 2022 £ | 2021 £ |
|--|-------|----------------|----------------|
| Tangible fixed assets | | | |
| Tangible Assets - housing properties | 3 | 224,626 | 230,061 |
| Tangible Assets - equipment | 4 | 41,370 | 40,917 |
| Investments | 5 | 62,286 | 65,380 |
| | | 328,282 | 336,358 |
| Current Assets | | | |
| Debtors | 6 | 2,103 | 2,109 |
| Cash and cash equivalents | | 77,583 | 77,322 |
| | | 79,686 | 79,431 |
| Less: creditors | | | |
| Amounts falling due within one year | 7a | (21,886) | (51,391) |
| Net current assets / (liabilities) | | 57,800 | 28,040 |
| Total assets less current liabilities | | 386,082 | 364,398 |
| Creditors | | | |
| Amounts falling due after more than one year | 7b | (59,279) | (61,191) |
| Total Net Assets | | 326,803 | 303,207 |
| Capital and Reserves | | | |
| Permanent Endowment Fund | 8 | 6,183 | 6,183 |
| Unrestricted Income: | | | |
| Accumulated Surplus | 9 | 262,031 | 235,341 |
| Designated - Property Finance | 10 | 24,602 | 24,602 |
| Designated - Cyclical Maintenance Fund | 10 | 7,824 | 7,824 |
| Designated - Extraordinary Repair Fund | 10 | 26,163 | 29,257 |
| | | 326,803 | 303,207 |

The financial statements on pages 7 to 15 were approved by the Trustee on
and were signed on its behalf by:

13th December 2022

Director: Henry Potter

Head of Business Partnering Ross Stone

MEGGS' ALMSHOUSE CHARITY

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2022

| | Notes | 2022 £ | 2021 £ |
|--|-------|-----------------------|-----------------------|
| | | Total Funds | Total Funds |
| Income from: | | | |
| Charitable activities | 11 | 78,526 | 67,034 |
| Investments | 12 | 296 | 384 |
| Total income | | <u>78,822</u> | <u>67,418</u> |
| Expenditure on | | | |
| Expenditure resources from: | | | |
| Charitable activities | 13 | 52,132 | 51,432 |
| Total expenditure | | <u>52,132</u> | <u>51,432</u> |
| Net income/(expenditure) before other recognised gains/(losses) | | <u>26,690</u> | <u>15,986</u> |
| Other recognised gains/(losses): | | | |
| Unrealised gain/loss on investment assets | | (3,094) | 6,989 |
| Net movement in funds | | <u>23,596</u> | <u>22,975</u> |
| Operating surplus/deficit | | | |
| Total funds brought forward at 1 July | | 303,207 | 280,232 |
| Total funds carried forward at 30 June | | <u><u>326,803</u></u> | <u><u>303,207</u></u> |

Operating Costs

There are no movements relating to the endowment fund, the balance brought forward and carried forward £6,183 is included in total funds above.

All amounts relate to continuing activities.

The above surpluses are the historical cost surpluses.

All recognised gains and losses are dealt with in the above statement.

MEGGS' ALMSHOUSE CHARITY

Notes to the Financial Statements Year ended 30 June 2022

1. CONSTITUTION

The Charity, which is registered with the Charity Commission, has a Trust Deed as its constitution. The address of the registered office is given in the charity information on page 3 of these financial statements.

2. PRINCIPAL ACCOUNTING POLICIES

Basis of Accounting

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared according to the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2019) and applicable accounting, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) the Charities Act 2011. The particular accounting policies adopted are described below.

The financial statements have been prepared on the historical cost basis of accounting, except for investments included at fair value.

The charity has elected to take the exemption from the requirement to prepare a Cash Flow due to its turnover being less than £500,000 as permitted by the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102).

Turnover

Turnover represents the rental income receivable, donations and other income. All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Funds

Unrestricted funds are available for use at the trustees' discretion in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out below.

Restricted funds are funds used by specific restrictions imposed by donors or raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets that must be held permanently by the charity. This represents the value of the investment in 1988. The use of this fund is limited and can only be used to generate income for the Trust.

Cyclical Repairs and Maintenance

The Trust does not make provision for future cyclical work but charges actual costs incurred to the income and expenditure account. However, the Trust does designate a part of its reserves for future repairs and maintenance.

Property Finance Designations

The Trust shows, through designation, that part of its resources, which have been invested in the properties owned by the Trust.

MEGGS ALMSHOUSE CHARITY

Notes to the Financial Statements Year ended 30 June 2022

2. PRINCIPAL ACCOUNTING POLICIES continued

Housing Properties

The charity separately identifies the major components that comprise its housing properties and charges depreciation to write down the cost of each component to its estimated residual value, on a straight-line basis, over its estimated useful economic life.

The Charity depreciates the major components of its housing properties, at rates calculated to write off the cost, over the following lives:

- Land – Indefinite
- Housing properties – original structure - 100 years straight line
- Housing Properties – improvements to structure – 50 years
- Housing properties equipment- other components - 12 to 30 years straight line

Capital government grants

Where refurbishments have been financed wholly or partly by capital grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. Capital grant received for items of cost written off in the Statement of Financial Activities is included as part of Turnover.

Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant allocated to the component is released to the income and expenditure account. Upon disposal of the associated property, the charity is required to recycle these proceeds, as such a contingent liability is disclosed to reflect this.

Debtors

Amounts receivable (or paid in advance) at the end of the period are included in the financial statements under debtors. These include invoiced service and prepaid expenditure.

Liabilities

Amounts payable at the end of the period are included in the financial statements under amounts payable within or after one year as appropriate. This includes amounts due to suppliers and accrued expenditure (due but not invoiced). These are measured at amortised cost.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses)' on investments in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

Going Concern

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues 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 an effect on amounts recognised in the financial statements:

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 considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Financial instruments

Financial instruments such as accounts payables, accounts receivables and cash are classified either as basic or complex. All financial instruments are initially measured at their fair values at the time the transactions occur. Subsequently, basic instruments are measured at amortised cost and all complex financial instruments are measured at a fair value through profit and loss.

Financial instruments held by the charity are classified as follows:

Fixed asset investments are held at fair value through profit or loss

Cash and cash equivalents are held at cost.

Financial assets and liabilities are held at amortised cost using the effective interest method.

MEGGS ALMSHOUSE CHARITY

Notes to the Financial Statements
Year ended 30 June 2022

3. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

| | Property £ | Property Improvement £ | Total £ |
|---------------------------------------|-----------------|------------------------------|-----------------|
| Cost | | | |
| At 1 July 2021 | 24,604 | 259,530 | 284,134 |
| Additions/Sales | - | - | - |
| As at 30 June 2022 | <u>24,604</u> | <u>259,530</u> | <u>284,134</u> |
| Depreciation | | | |
| At 1 July 2021 | (20,198) | (33,876) | (54,074) |
| Charge for the year | (247) | (5,191) | (5,438) |
| As at 30 June 2022 | <u>(20,445)</u> | <u>(39,066)</u> | <u>(59,511)</u> |
| Net book value at 30 June 2022 | <u>4,159</u> | <u>220,464</u> | <u>224,623</u> |
| Net book value at 1 July 2021 | <u>4,406</u> | <u>225,655</u> | <u>230,060</u> |

The property is freehold.

4. TANGIBLE FIXED ASSETS – HOUSING PROPERTY EQUIPMENT

| | 2022 £ |
|----------------------------------|-----------------|
| Cost at 1 July | 58,521 |
| Additions | 4,230 |
| Disposals | - |
| As at 30 June | <u>62,751</u> |
| Depreciation | |
| As at 1 July | (17,604) |
| Charge for the year | (3,777) |
| Disposal | - |
| | <u>(21,381)</u> |
| Net book value at 30 June | <u>41,370</u> |
| Net book value at 1 July | <u>40,917</u> |

5. INVESTMENTS

| | 2022 £ | 2021 £ |
|--------------------------|---------------|---------------|
| Fair Value as at 1 July | 65,380 | 58,390 |
| Additions | - | - |
| Disposals | - | - |
| Revaluation | (3,094) | 6,990 |
| Fair Value as at 30 June | <u>62,286</u> | <u>65,380</u> |
| | | - |
| Cost as at 30 June | 13,018 | 13,018 |

The investments are carried in the Balance Sheet at the fair value.

MEGGS' ALMSHOUSE CHARITY

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2022

6. DEBTORS

| | 2022 £ | 2021 £ |
|--|--------------|--------------|
| Amounts falling due within one year | | |
| Rent/service charge arrears | 10,009 | 6,527 |
| Less: provision for doubtful debts | (7,906) | (4,418) |
| | <u>2,103</u> | <u>2,109</u> |

7a. CREDITORS

| | 2022 £ | 2021 £ |
|--|---------------|---------------|
| Amounts falling due within one year | | |
| Amount Owed to L&Q Group | 5,352 | 38,394 |
| Prepaid Rent | 4,705 | 7,421 |
| Welfare benefit & rent adjustment | 567 | 567 |
| Grants | 1,912 | 1,912 |
| Accruals and deferred income | 8,767 | 2,216 |
| Deferred income creditors | 583 | 882 |
| | <u>21,886</u> | <u>51,391</u> |

7b. CREDITORS

| | 2022 £ | 2021 £ |
|---|---------------|---------------|
| Amounts falling due after one year | | |
| Social Housing Grant | | |
| At 1st July | 63,103 | 65,015 |
| Amortised in the period | (1,912) | (1,912) |
| | <u>-</u> | <u>-</u> |
| As at 30 June | <u>61,191</u> | <u>63,103</u> |
| | | |
| To be amortised in less than one year (note 7a) | 1,912 | 1,912 |
| To be amortised in more than one year | 59,279 | 61,191 |
| | <u>61,191</u> | <u>63,103</u> |

The total grant received is £95,610 (2021: £95,610).

MEGGS' ALMSHOUSE CHARITY

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2022

8. PERMANENT ENDOWMENT FUND

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| This represents the value of the investment in 1988. The use of this fund is limited and can only be used to generate income from the Trust. | 6,183 | 6,183 |

9. ACCUMULATED
SURPLUSES

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Opening Balance | 235,341 | 219,356 |
| Surplus/(Deficit) for the year | 23,596 | 22,975 |
| Transferred in designated reserves | 3,094 | (6,989) |
| Spend from designated reserves | - | - |
| Closing Balance | 262,031 | 235,341 |
| These surpluses are readily available at the Trustees disposal | | |

10. DESIGNATED
RESERVES

| | Property Finance £ | Extraordinary Repairs Fund £ | Cyclical Maintenance Fund £ | 2022 £ | 2021 £ |
|--------------------------------------|--------------------------|------------------------------------|--------------------------------------|-----------|-----------|
| Balance brought forward at 1 July | 24,602 | 29,257 | 7,824 | 61,683 | 54,694 |
| Transfers from accumulated surpluses | - | (3,094) | - | (3,094) | 6,989 |
| Spent in the year | - | - | - | - | - |
| Balance carried forward at 30 June | 24,602 | 26,163 | 7,824 | 58,589 | 61,683 |

MEGGS' ALMSHOUSE CHARITY

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2022

11. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | 2022 | 2021 |
|--|---------------|---------------|
| | £ | £ |
| Charges receivable (including service charges) | 82,248 | 66,641 |
| Void losses | (5,634) | (1,519) |
| Capital grants | 1,912 | 1,912 |
| | <u>78,526</u> | <u>67,034</u> |

12. INCOME FROM INVESTMENTS

| | 2022 | 2021 |
|---|------------|------------|
| | £ | £ |
| Dividends received from listed investments and authorised units | 296 | 384 |
| | <u>296</u> | <u>384</u> |

13. EXPENDITURE ON CHARITABLE ACTIVITIES

| | 2022 | 2021 |
|-------------------------------|---------------|---------------|
| | £ | £ |
| Repairs | 14,660 | 13,987 |
| Rates, insurance and services | 22,959 | 26,609 |
| Management fees | 5,669 | 5,641 |
| Other expenses | 7,119 | 3,657 |
| Governance costs (note 14) | 1,725 | 1,538 |
| Total resources expended | <u>52,132</u> | <u>51,432</u> |

14. GOVERNANCE COSTS

| | 2022 | 2021 |
|--|--------------|--------------|
| | £ | £ |
| Independent examiners fee (excluding VAT). | 1,437 | 1,281 |
| | <u>1,437</u> | <u>1,281</u> |

15. MANAGEMENT FEES

A management fee of £5,669 (2021: £5,641) was charged by L&Q Group.

MEGGS' ALMSHOUSE CHARITY

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2022

16. RELATED PARTIES

L&Q Group has been the Trustee for the Charity since November 2016, following their merger with East Thames Group. L&Q also provides invoice payment services in addition to the day-to-day property maintenance service to the properties on Meggs Almshouse's behalf.

L&Q Living is an entity within the L&Q Group that collects the rental income on behalf of Meggs Almshouse; they also provide a day to day scheme/care management services. The management fee charged to expenditure during the year was £5,669 (2021: £5,641)

The balance owed by Meggs to L&Q Group at the balance sheet date is £5,352 (2021: £38,394). The outstanding balance will be settled over subsequent periods through rental income collected from the properties.

17. CHARITY FUNDS

| Analysis of net assets between funds | Unrestricted funds | Permanent Endowment fund | Total |
|---|--------------------|--------------------------|----------------|
| | £ | £ | £ |
| Fund balances at 30 June 2021 are represented by: | | | |
| Tangible fixed assets | 328,282 | - | 328,282 |
| Current assets | 73,503 | 6,183 | 79,686 |
| Creditors – amounts falling due within one year | (21,886) | - | (21,886) |
| Creditors – amounts falling due after one year | (59,279) | - | (59,279) |
| | 320,620 | 6,183 | 326,803 |

18. FINANCIAL INSTRUMENTS

At the balance sheet date the Charity had the following:

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Financial Assets | | |
| Measured at amortised cost | | |
| Rent and service charge arrears | 10,009 | 6,527 |
| Measured at cost | | |
| Cash at bank and in hand measured at cost | 77,583 | 77,322 |
| Financial assets measured through profit/loss | | |
| Fixed asset investments | 62,286 | 65,380 |
| Financial Liabilities | | |
| Measured at amortised cost | | |
| Prepaid Rent | 4,705 | 7,421 |
| Accruals and deferred income | 8,767 | 2,216 |
| Other creditors | 7,830 | 40,872 |