

THE ALMSHOUSES OF ANN HOPKINS SMITH
REGISTERED HOUSING ASSOCIATION NO. A2987
REGISTERED CHARITY NO. 235609
FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST DECEMBER 2020

THE ALMSHOUSES OF ANN HOPKINS SMITH
REGISTERED HOUSING ASSOCIATION NO. A2987
REGISTERED CHARITY NO. 235609
OFFICERS AND PROFESSIONAL ADVISORS

TRUSTEES:

J. Rawlings
A. W. Evans
T. Lamming (Resigned February 2021)
J. Roberts
L. McCann (Resigned January 2020)
P. Watson (Resigned February 2021)
H. Watkins (Appointed January 2020)
M. Keen (Appointed January 2020)

CHAIRMAN:

H Watkins (Rotational Basis)

SECRETARY:

J. Roberts

TREASURER:

J. Rawlings

ADMINISTRATION OFFICE

J. Rawlings

PRINCIPAL OFFICE:

Almshouses
Nos. 39 to 61,
Weston Road,
Olney,
Buckinghamshire.
MK46 5BE

BANKERS:

Barclays Bank Plc.,
Leicester
LE87 2BB

The Charities Official Investment Fund,
St. Alphage House,
2 Fore Street,
London.
EC2Y 5AQ

AUDITORS:

Clifford Roberts, Chartered Accountants,
& Statutory Auditors,
Pacioli House,
9 Brookfield,
Duncan Close,
Moulton Park,
Northampton.
NN3 6WL

INVESTMENT MANAGERS:

CCLA Investment Management Limited,
Senator House,
85 Queen Victoria Street
London,
EC4V 4ET

M&G Investments
Charity Department
PO Box 9038
Chelmsford
CM99 2XF

THE ALMSHOUSES OF ANN HOPKINS SMITH

REGISTERED HOUSING ASSOCIATION NO. A2987

REGISTERED CHARITY NO. 235609

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020

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THE ALMSHOUSES OF ANN HOPKINS SMITH
REGISTERED HOUSING ASSOCIATION NO. A2987
REGISTERED CHARITY NO. 235609
REPORT OF THE TRUSTEES

The Trustees present their report and the audited financial statements of the charity for the year ended 31st December, 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Structure, Governance and Management

The charity was registered on 9th July 1964 and is governed by a trust deed dated 20th December, 1979 (as amended by scheme dated 16th August 1999) which authorises the trustees to perform the objects of the charity.

The recruitment, appointment and training of new trustees are conducted by existing trustees.

Objectives of the charity

The charity's principal objective is the provision of an almshouse for poor aged widows or spinsters, with preference being given to the inhabitants of the parish of Olney.

Public Benefit

All of the Charity's activities are undertaken to further our charitable purpose for the benefit of the public. The trustees have had regard to the Charity Commission guidance on public benefit in section four of the Charities Act 2011. The main benefits which have arisen during the year from the organisations aims and activities are detailed in the following sections and in the financial review.

Trustees

The trustees who have served at some point during the year are as follows: -

| <u>Served throughout 2020</u> | | | <u>Resigned (Post Year End)</u> | <u>Resigned (in Year)</u> |
|-------------------------------|-------------|------------|---------------------------------|---------------------------|
| A. W. Evans | M. Keen | J. Roberts | P. Watson | L. McCann |
| H. Watkins | J. Rawlings | | T. Lamming | |

Review of the year's activities

The general balance between income, expenditure and reserves has remained satisfactory throughout the year. The overall net asset position of the charity remains very healthy. The charity continues to make provision within its extra-ordinary repair fund should any significant repairs be required to the Almshouses.

Policy on Reserves

The trustees consider that the unrestricted reserves, at 31st December 2020 are sufficient to sustain its operations should income-generating activities be curtailed unexpectedly over the forthcoming year. The other reserves maintained are in accordance with the governing documents of the trust to ensure the continued financial health of the charity.

Risk Management

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the operations and finances of the charity and are satisfied that systems are in place to mitigate our exposure to the major risks.

THE ALMSHOUSES OF ANN HOPKINS SMITH
REGISTERED HOUSING ASSOCIATION NO. A2987

REGISTERED CHARITY NO. 235609

REPORT OF THE TRUSTEES

(CONTINUED)

Plans for Future periods

The Charity's future plans include the continued provision of sheltered housing for local elderly and single people. There are no plans for either growth or scaling back of operations, and the current level of reserves within the charity will allow for this continued provision.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Registered Social Housing Legislation requires the trustees 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 trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of the trust deed dated 20th December, 1979, The Housing Act 2004, and the Accounting Requirements for Registered Social Landlords General Determination 2006. 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.

This report was approved by the committee of trustees on 26th May, 2021 and signed on its behalf by:



J. Roberts
Secretary

THE ALMSHOUSES OF ANN HOPKINS SMITH**REGISTERED HOUSING ASSOCIATION NO. A2987****REGISTERED CHARITY NO. 235609****INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE ALMSHOUSES OF ANN HOPKINS SMITH**

We have audited the financial statements of The Almshouses of Ann Hopkins Smith (the 'charity') for the year ended 31st December, 2020 which comprise Statement of Financial Activity, Balance Sheet, Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st December, 2020, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, Schedule 1 of the Housing Act 2004, and accounting requirement for Register Social Landlords General Determination 2006.

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 trustees' 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 charitable company'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 trustees 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 report of the trustees, other than the financial statements and our auditor's report thereon. The trustees are 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.

THE ALMSHOUSES OF ANN HOPKINS SMITH

REGISTERED HOUSING ASSOCIATION NO. A2987

REGISTERED CHARITY NO. 235609

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE ALMSHOUSES OF ANN HOPKINS SMITH

(CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustee's report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 1 and 2, the trustees (who are also the directors of the charitable company for the purposes of company law) are 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 trustees 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 trustees are 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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

THE ALMSHOUSES OF ANN HOPKINS SMITHREGISTERED HOUSING ASSOCIATION NO. A2987REGISTERED CHARITY NO. 235609INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE ALMSHOUSES OF ANN HOPKINS SMITH(CONTINUED)**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

- We obtained an understanding of the legal and regulatory framework applicable to the charity and the sector in which they operate. We determined that the following laws and regulations were most significant: the Charities Act 2011, United Kingdom Generally Accepted Accounting Practice, Schedule 1 of the Housing Act 2004 and accounting requirement for Register Social Landlords General Determination 2006.
- We obtained an understanding of how the charity is complying with those legal and regulatory frameworks by making inquiries to the trustees and by observing the oversight of trustees, the culture of honesty and ethical behaviour and whether strong emphasis is placed on fraud prevention, which may reduce the opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud in the first instance. We corroborated our inquiries through our review of all relevant available audit information.
- We assessed and understood the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. The audit procedures performed by the engagement team included:
 - > Identifying and assessing the design and effectiveness of controls trustees have in place to prevent and detect fraud;
 - > understanding of how trustees considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - > challenging assumptions and judgements made by trustees in its significant accounting estimates;
 - > Performing audit work over the risk of management 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 bias; and,
 - > Assessing the extent of compliance with relevant laws and regulations.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

THE ALMSHOUSES OF ANN HOPKINS SMITH**REGISTERED HOUSING ASSOCIATION NO. A2987****REGISTERED CHARITY NO. 235609****INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE ALMSHOUSES OF ANN HOPKINS SMITH****(CONTINUED)**

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charities trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charities trustees as a body, for our audit work, for this report, or for the opinions we have formed.



CLIFFORD ROBERTS
Chartered Accountants and
Statutory Auditors

26th May, 2021

Pacioli House,
9 Brookfield,
Duncan Close,
Moulton Park,
Northampton. NN3 6WL

Clifford Roberts Chartered Accountants is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE ALMSHOUSES OF ANN HOPKINS SMITH
REGISTERED HOUSING ASSOCIATION NO. A2987
REGISTERED CHARITY NO. 235609

STATEMENT OF FINANCIAL ACTIVITIES: YEAR ENDED 31ST DECEMBER 2020

| | Note | Replacement of equipment and furnishings £ | Extra- ordinary repair fund £ | Future cyclical repairs and maintenance £ | Re- valuation reserve £ | Un- restricted funds £ | Total Funds 2020 £ | Total funds 2019 £ |
|--|------|---|--|---|----------------------------------|---------------------------------|-----------------------------|-----------------------------|
| Incoming resources from operating activities in furtherance of the charity's objects: - | | | | | | | | |
| Property revenue | 2 | - | - | - | - | 42,799 | 42,799 | 45,170 |
| East Street land | 2 | - | - | - | - | 3,000 | 3,000 | 3,000 |
| Investment Income: - | | | | | | | | |
| Interest | 3 | - | - | - | - | 3,021 | 3,021 | 2,841 |
| Dividends received | | - | - | - | - | 9,845 | 9,845 | - |
| Total Income | £ | - | - | - | - | 58,665 | 58,665 | £ 51,011 |
| Resources expended on: | | | | | | | | |
| Charitable expenditure | | | | | | | | |
| Services | | | | | | | | |
| Gardening and grass cutting | | - | - | - | - | - | - | 150 |
| Gas, hot water, and central heating | | - | - | - | - | 6,928 | 6,928 | 5,441 |
| Water rates | | - | - | - | - | 2,120 | 2,120 | 1,794 |
| Electricity | | - | - | - | - | 705 | 705 | 361 |
| Telephone | | - | - | - | - | 4,062 | 4,062 | 2,640 |
| TV licence | | - | - | - | - | 23 | 23 | 45 |
| Council tax | | - | - | - | - | 3 | 3 | - |
| | £ | - | - | - | - | 13,841 | 13,841 | £ 10,431 |
| Current maintenance | £ | 2,384 | 19,544 | - | - | 11,660 | 33,588 | £ 23,753 |
| Management – Note 5 | | | | | | | | |
| Insurance | | - | - | - | - | 1,140 | 1,140 | 1,119 |
| Audit fees | | - | - | - | - | 2,280 | 2,280 | 2,220 |
| Advertising | | - | - | - | - | 102 | 102 | - |
| Membership fees | | - | - | - | - | 326 | 326 | 315 |
| Meeting expenses | | - | - | - | - | - | - | 40 |
| Sundry expenses | | - | - | - | - | 378 | 378 | 214 |
| Subscriptions | | - | - | - | - | 210 | 210 | 200 |
| Valuation Fees | | - | - | - | - | - | - | 600 |
| | £ | - | - | - | - | 4,436 | 4,436 | £ 4,708 |
| Future cyclical repairs & maintenance | | - | - | - | - | - | - | - |
| Exterior Painting | | - | - | - | - | - | - | - |
| Refurbishments | | - | - | - | - | - | - | - |
| Replacement of equipment & furnishings | | - | - | - | - | - | - | - |
| | £ | - | - | - | - | - | - | £ - |
| Net expenditure | £ | 2,384 | 19,544 | - | - | 29,937 | 51,865 | £ 38,892 |
| Net outgoing resources for year | | (2,384) | (19,544) | - | - | 28,728 | 6,800 | 12,119 |
| Transfers between funds | | 2,384 | 7,260 | - | - | (9,644) | - | - |
| Transfer from investments | | - | - | - | - | - | - | - |
| | £ | - | (12,284) | - | - | 19,084 | 6,800 | £ 12,119 |
| Gains on property revaluation | | - | - | - | - | - | - | 342,778 |
| Gains/(losses) on investments | | - | - | - | (16,628) | - | (16,628) | 51,651 |
| Net movement in funds | | - | (12,284) | - | (16,628) | 19,084 | (9,828) | 406,548 |
| Funds as at 1st January, 2020 | £ | 9,540 | 148,265 | 19,501 | 1,849,554 | 52,159 | 2,079,019 | £ 1,672,471 |
| Funds as at 31st December, 2020 | £ | 9,540 | 135,981 | 19,501 | 1,832,926 | 71,243 | 2,069,191 | £ 2,079,019 |

All income and expenditure derive from continuing activities.

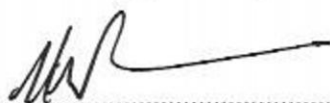
The statement of financial activities includes all gains and losses recognised during the year

The notes on pages 10 to 20 form part of these financial statements

THE ALMSHOUSES OF ANN HOPKINS SMITH
REGISTERED HOUSING ASSOCIATION NO. A2987
REGISTERED CHARITY NO. 235609
BALANCE SHEET AT 31ST DECEMBER 2020

| | Note | 2020 £ | 2019 £ |
|---|------|--------------------|--------------------|
| Fixed assets | | | |
| Housing properties at valuation | 9 | 1,650,000 | 1,650,000 |
| Land at East Street | 10 | 65,000 | 65,000 |
| Investments | 11 | 299,349 | 310,506 |
| Total fixed assets | | 2,014,349 | 2,025,506 |
| Current assets | | | |
| Investments | 12 | 32,724 | 33,349 |
| Debtors | 13 | 3,405 | 392 |
| Bank and cash | | 21,274 | 22,124 |
| | | <u>57,403</u> | <u>55,865</u> |
| Creditors: - | | | |
| Amounts falling due within one year | 14 | (2,561) | (2,352) |
| Net current assets | | 54,842 | 53,513 |
| Total assets less current liabilities | | 2,069,191 | 2,079,019 |
| Creditors: - | | | |
| Amounts falling due after more than one year | | | |
| Other creditors | | - | - |
| Net assets | 20 | £ 2,069,191 | £ 2,079,019 |
| Reserves- | | | |
| per statement of financial activities (page 6) | | | |
| Revaluation reserve | 16 | 1,832,926 | 1,849,554 |
| Designated Funds: - | | | |
| Future cyclical repairs and maintenance | 17 | 19,501 | 19,501 |
| Extraordinary repair fund | 18 | 135,981 | 148,265 |
| Replacement of equipment and furnishings | 19 | 9,540 | 9,540 |
| Unrestricted funds | 15 | <u>71,243</u> | <u>52,159</u> |
| | | £ 2,069,191 | £ 2,079,019 |

These accounts were approved by the Trustees on 26th May, 2021 and signed on their behalf by:



H Watkins, Chairman



Jeremy Rawlings, Treasurer

The notes on pages 10 to 20 form part of these financial statements

THE ALMSHOUSES OF ANN HOPKINS SMITH
REGISTERED HOUSING ASSOCIATION NO. A2987
REGISTERED CHARITY NO. 235609

STATEMENT OF CASH FLOWS: YEAR ENDED 31ST DECEMBER 2020

| | Note | 2020 | 2019 |
|---|------|----------------|-----------------|
| Cash flow from operating activities | 21 | (8,871) | 8,714 |
| Interest paid | | - | - |
| Net cash flow from operating activities | | <u>(8,871)</u> | <u>8,714</u> |
| Cash flow from investing activities | | | |
| Payments to acquire investments | | (18,845) | (57,000) |
| Dividends/Interest received | | 12,866 | 2,841 |
| Sale of investment | | 14,000 | - |
| Net cash flow from investing activities | | <u>8,021</u> | <u>(54,159)</u> |
| Cash flow from financing activities | | | |
| Net cash flow from financing activities | | <u>-</u> | <u>-</u> |
| Net increase / (decrease) in cash and cash equivalents | | (850) | (45,445) |
| Cash and cash equivalents at 1st January | | 22,124 | 67,569 |
| Cash and cash equivalents at 31st December | | <u>21,274</u> | <u>22,124</u> |
| Cash and cash equivalents consists of: | | | |
| Cash at bank and in hand | | 21,274 | 22,124 |
| Cash and cash equivalents at 31st December | | <u>21,274</u> | <u>22,124</u> |

THE ALMSHOUSES OF ANN HOPKINS SMITH

REGISTERED HOUSING ASSOCIATION NO. A2987

REGISTERED CHARITY NO. 235609

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31ST DECEMBER 2020

1. Summary of significant accounting policies

(a) General information and basis of preparation

The Almshouses of Ann Hopkins Smith is a charity registered in England on 9th July, 1964, number 235609, and is governed by a trust deed dated 20th December, 1979, as amended by a constitution dated 16th August, 1999, which authorises the trustees to perform the objects of the charity. The address of the registered office is given in the charity information section of these financial statements. The nature of the charity's operations and principal activities are to provide sheltered housing for local elderly people.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have also been prepared with reference to the Housing SORP 2018 Statement of Recommended Practice for social housing providers.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees 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:

(i) Future cyclical repairs and maintenance

Accrued cyclical maintenance, being the charity's liability to maintain its properties in accordance with the planned programme of works, is provided to the extent that it is probable that the fund will be fully utilised over the course of the maintenance cycle.

THE ALMSHOUSES OF ANN HOPKINS SMITH

REGISTERED HOUSING ASSOCIATION NO. A2987

REGISTERED CHARITY NO. 235609

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31ST DECEMBER 2020 (CONTINUED)

(ii) Major repairs

As the cost of major repairs to the structure of housing properties and land at East Street will be funded by the charity, an annual reserve is made to the extraordinary repair fund.

(c) Income recognition

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.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest, and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes general costs associated with the rental properties excluding maintenance on them,
- Maintenance which includes upkeep of the properties, and
- Management expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs and governance costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings, they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 4.

(f) Fixed Assets - Property

Properties which are held for the provision of social housing are treated as property, plant and equipment and accounted for in accordance with section 17 of FRS102. The properties were originally recognised at cost less the recognition of the housing association grant, thus that reducing the net investment in housing properties.

THE ALMSHOUSES OF ANN HOPKINS SMITH

REGISTERED HOUSING ASSOCIATION NO. A2987

REGISTERED CHARITY NO. 235609

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31ST DECEMBER 2020

(CONTINUED)

When subsequently accounting for the properties, the charity carries the properties at fair value less any subsequent accumulated depreciation and impairment losses since the date of the last revaluation. As the Trustees carry out a revaluation at each balance sheet date, albeit the valuation may not have changed significantly, they do not account for depreciation but do recognise in the fair value any impairment of the properties.

(g) Investments

Investments are recognised initially at cost 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. Other investments are measured at cost less impairment.

Current asset investments are short term highly liquid investments and are held at fair value.

(h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(i) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

(j) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(k) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(l) Judgements and key sources of estimation uncertainty

The charity has due regard for key judgements and estimation uncertainty; however, the trustees do not feel that any judgements (apart from those involving estimates) are significant enough to warrant separate disclosure.

The charity has due regard for key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. At the reporting date the trustees do not feel that anything warrants separate disclosure.

THE ALMSHOUSES OF ANN HOPKINS SMITH

REGISTERED HOUSING ASSOCIATION NO. A2987

REGISTERED CHARITY NO. 235609

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31ST DECEMBER 2020

(CONTINUED)

2. INCOME FROM 'TRADING' ACTIVITY

| | 2020 £ | 2019 £ |
|-----------------|-----------|-----------|
| Rent receivable | £ 42,799 | £ 48,170 |

Income earned on the rental of the properties was all attributable to unrestricted funds. The Rent receivable for the year relates to the 12 properties which were owned by the charity throughout the year.

| | 2020 £ | 2019 £ |
|-----------------|-----------|-----------|
| Rent receivable | £ 3,000 | £ 3,000 |

Income earned on Land at East Street was all attributable to unrestricted funds.

3. INCOME FROM INVESTMENTS

| | 2020 £ | 2019 £ |
|------------------------|-----------|-----------|
| Dividends and interest | £ 12,866 | £ 2,841 |

Income earned on investments was all attributable to unrestricted funds

Investment management costs are neither material nor practical to disclose separately, therefore income from investments is stated net of investment management costs,

4. ANALYSIS OF EXPENDITURE AND SUPPORT COSTS

The charity only undertakes one activity, and so the analysis of charitable expenditure and support costs included on the face of the Statement of Financial Activities is all allocated to the one activity.

5. GOVERNANCE COSTS

| | 2020 £ | 2019 £ |
|----------------|-----------|-----------|
| Audit fees | 2,280 | 2,220 |
| Insurance | 1,140 | 1,119 |
| Advertising | 102 | - |
| Support costs | 704 | 569 |
| Valuation fees | - | 600 |
| Subscriptions | 210 | 200 |
| Total | £ 4,436 | £ 4,708 |

THE ALMSHOUSES OF ANN HOPKINS SMITH
REGISTERED HOUSING ASSOCIATION NO. A2987
REGISTERED CHARITY NO. 235609

NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31ST DECEMBER 2020

(CONTINUED)

6. NET INCOME FOR THE YEAR

Net income is stated after charging/(crediting):

| | 2020 £ | 2019 £ |
|---|-------------------|-------------------|
| Profit on fair value movement of property | - | 342,778 |
| (Profit)/Loss on fair value movement of investments | (16,628) | 51,651 |
| | <u> </u> | <u> </u> |

7. AUDITORS REMUNERATION

The auditor's remuneration amounts to an audit fee of £2,280 (2019 - £2,220).

8. TRUSTEE REMUNERATION

No trustee received remuneration during this or the previous financial year.
 During the year, the trustees did not have any expenses reimbursed (2019 - £Nil).

9. FIXED ASSETS - PROPERTY

| | 2020 £ | 2019 £ |
|---|---------------------|---------------------|
| Housing properties | | |
| Cost | 720,000 | 720,000 |
| Revaluation at 13/12/2013 | 780,000 | 780,000 |
| Revaluation at 21/05/2019 | 150,000 | 150,000 |
| Valuation at 31st December, 2020 | £ <u>1,650,000</u> | £ <u>1,650,000</u> |
| Less: | | |
| Housing Association Costs | | |
| At 1st January, 2020 and 31st December, 2020 | - | 164,512 |
| Other costs and donations | | |
| At 1st January, 2020 and 31st December, 2020 | - | 26,476 |
| Revaluation at 31 December 2019 | - | (190,988) |
| Depreciation | | |
| At 1st January, 2020 | - | 1,790 |
| Revaluation at 31 December 2019 | - | (1,790) |
| | <u> </u> | <u> </u> |
| At 31st December, 2020 | - | - |
| | £ <u> </u> | £ <u> </u> |
| Net book amount at 31st December, 2020 and 2019 | £ <u>1,650,000</u> | £ <u>1,650,000</u> |

The notes on pages 10 to 20 form part of these financial statements

THE ALMSHOUSES OF ANN HOPKINS SMITH

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NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31ST DECEMBER 2020

(CONTINUED)

The housing properties were professionally revalued on 31st May, 2019 by Stimpsons Eves, Chartered Surveyors. The trustees do not believe there is a material variation in the valuation as at the reporting date.

10. FIXED ASSETS - OTHER

| | 2020 | 2019 |
|---|-----------------|-----------------|
| | £ | £ |
| East Street land | | |
| Valuation at 1st January, 2020 | 65,000 | 65,000 |
| Revaluation during the year | | |
| Valuations at 31 st December, 2020 | - | - |
| | <u>£ 65,000</u> | <u>£ 65,000</u> |

The land was last re-valued as at 31st December, 2010 by Jeremy Rawlings and Tony Evans, both Trustees of the charity. The trustees do not think that there is a material variation in the valuation of the land as at the reporting date.

11. FIXED ASSET INVESTMENTS

| | COIF income shares £ | COIF accumulation shares £ | Charity MA accumulation £ | Total 2020 £ | Total 2019 £ |
|-----------------------------|---|---|--|-----------------------------|-----------------------------|
| Cost or valuations | | | | | |
| At 1st January, 2020 | 52,790 | 20,585 | 237,131 | 310,506 | 207,445 |
| Additions at cost | | - | 17,106 | 17,106 | 280,887 |
| Disposal at cost | | - | (14,000) | (14,000) | (225,627) |
| Revaluation during the year | 3,376 | 2,015 | (19,654) | (14,263) | 47,801 |
| At 31st December, 2020 | <u>56,166</u> | <u>22,600</u> | <u>220,583</u> | <u>299,349</u> | <u>£310,506</u> |

All of the fixed asset investments are held in equities.

The fair value of listed investments is determined reference to quoted price for identical assets in an active market at the balance sheet date.

12. CURRENT ASSET INVESTMENTS

| | Charity MA income shares £ | Total 2020 £ | Total 2019 £ |
|-----------------------------|---|-----------------------------|-----------------------------|
| Cost or valuations | | | |
| At 1st January, 2020 | 33,349 | 33,349 | 27,760 |
| Additions/Disposals at cost | 1,740 | 1,740 | 1,740 |
| Revaluation during the year | (2,365) | (2,365) | 3,849 |
| At 31st December, 2020 | <u>32,724</u> | <u>32,724</u> | <u>£33,349</u> |

All of the current asset investments are held in equities.

The fair value of listed investments is determined reference to quoted price for identical assets in an active market at the balance sheet date.

The notes on pages 10 to 20 form part of these financial statements

THE ALMSHOUSES OF ANN HOPKINS SMITH

REGISTERED HOUSING ASSOCIATION NO. A2987

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NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31ST DECEMBER 2020

(CONTINUED)

13. DEBTORS

| | 2020 £ | 2019 £ |
|---------------|-----------|-----------|
| Other debtors | £ 3,405 | £ 392 |

14. CREDITORS

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Other creditors and accruals | 2,561 | 2,352 |
| | £ 2,651 | £ 2,352 |

15. ACCUMULATED UNRESTRICTED FUNDS

| | 2020 £ | 2019 £ |
|-------------------------------|-----------|-----------|
| At 1st January, 2020 | 52,159 | 47,300 |
| Surplus for the year | 28,728 | 20,194 |
| Transfers to designated funds | (9,644) | (15,335) |
| At 31st December, 2020 | £ 71,243 | £ 52,159 |

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

16. REVALUATION RESERVE

| | 2020 £ | 2019 £ |
|---------------------------|-------------|-------------|
| At 1st January, 2020 | 1,849,554 | 1,455,125 |
| Movement during the year: | | |
| Current investments | (2,365) | 3,849 |
| Fixed investments | (14,263) | 47,802 |
| Housing properties | - | 342,778 |
| At 31st December, 2020 | £ 1,832,926 | £ 1,849,554 |

The revaluation reserve shows the movement on properties and both fixed and current asset investments.

THE ALMSHOUSES OF ANN HOPKINS SMITH

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NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31ST DECEMBER 2020

(CONTINUED)

17. FUTURE CYCLICAL REPAIRS AND MAINTENANCE

| | 2020 | 2019 |
|----------------------------------|-------------|-------------|
| | £ | £ |
| At 1st January, 2020 | 19,501 | 19,501 |
| Expenditure during the year | - | - |
| Transfer from unrestricted funds | - | - |
| | <hr/> | <hr/> |
| At 31st December, 2020 | £ 19,501 | £ 19,501 |

Accrued cyclical maintenance, being the charity's liability to maintain its properties in accordance with the planned programme of works, is provided to the extent that it is probable that the fund will be fully utilised over the course of the maintenance cycle.

18. EXTRAORDINARY REPAIR FUND

The provision was increased by £7,260, before extraordinary expenditure. The trustees have delayed the proposed alterations to some of the properties due to total refurbishment of all properties and feel the present level of the fund is sufficient.

In accordance with Clause 23 of the charity's constitution a minimum of £540 must be invested in COIF accumulation shares and Charity Multi Asset Fund. The cost and valuation of the two funds at the year end were as follows:

| | Cost | Market Value |
|--------------------------|-------------|---------------------|
| | £ | £ |
| COIF | 2,165 | 22,600 |
| Charity Multi Asset Fund | 242,732 | 220,583 |
| | <hr/> | <hr/> |
| | £ 244,897 | £ 243,183 |

| | 2020 | 2019 |
|-----------------------------|-------------|-------------|
| | £ | £ |
| At 1st January, 2020 | 148,265 | 141,005 |
| From unrestricted funds | 7,260 | 7,260 |
| Expenditure during the year | (19,544) | - |
| | <hr/> | <hr/> |
| At 31st December, 2020 | £ 135,981 | £ 148,265 |

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NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31ST DECEMBER 2020

(CONTINUED)

19. REPLACEMENT OF EQUIPMENT AND FURNISHINGS

| | 2020 | 2019 |
|-----------------------------|----------------|----------------|
| | £ | £ |
| At 1st January, 2020 | 9,540 | 9,540 |
| Expenditure during the year | (2,384) | (8,075) |
| From unrestricted funds | 2,384 | 8,075 |
| At 31st December, 2020 | <u>£ 9,540</u> | <u>£ 9,540</u> |

Reserves are set aside for the replacement of electrical equipment, carpets and curtains based on 10% of estimated replacement costs. Reserves are also designated for the replacement of lifeline telephones based on 20% of estimated replacement cost.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31st December, 2020 are represented by: -

| | Fixed Assets | Investments | Net Current Assets | Long-Term Liabilities | Fund Balances |
|---------------------|------------------|----------------|--------------------------|--------------------------|------------------|
| | £ | £ | £ | £ | £ |
| Revaluation reserve | 1,715,000 | 117,926 | - | - | 1,832,926 |
| Designated funds | - | 165,022 | - | - | 165,022 |
| Unrestricted funds | - | 16,401 | 54,842 | - | 71,243 |
| £ | <u>1,715,000</u> | <u>299,349</u> | <u>54,842</u> | <u>-</u> | <u>2,069,191</u> |

21. RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2020 | 2019 |
|---|------------------|----------------|
| | £ | £ |
| Net income/(expenditure) for year | (9,828) | 406,548 |
| Dividends/Interest receivable | (12,866) | (2,841) |
| (Gains)/Loss on investments | 16,628 | (51,651) |
| (Gains) on Revaluation of Property | - | (342,778) |
| (Increase)/decrease in debtors | (3,014) | 267 |
| Increase/(Decrease) in creditor | 209 | (831) |
| Net cash flow from operating activities | <u>£ (8,871)</u> | <u>£ 8,714</u> |

THE ALMSHOUSES OF ANN HOPKINS SMITH

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NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31ST DECEMBER 2020

(CONTINUED)

22. RELATED PARTY TRANSACTIONS

There are no related party transactions during the period (2019 - £nil).

23. FINANCIAL INSTRUMENTS

The carrying amounts of the charity's financial instruments are as follows:

| | 2020 £ | 2019 £ |
|--|-----------|-----------|
| Financial assets | | |
| Measured at fair value through net income: | | |
| - Fixed asset listed investments (note 11) | 299,349 | 310,506 |
| - Current asset listed investments (note 12) | 32,724 | 33,349 |
| | £ 332,073 | £ 343,855 |
| Financial liabilities | | |
| Measured at amortised cost | | |
| - Trade creditors (note 14) | 2,561 | 2,352 |
| | £ 2,561 | £ 2,352 |

The income, expenses, net gains, and net losses attributable the charity's financial instruments are summarised as follows:

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Income and expense | | |
| Financial assets measured at fair value through net income | (6,783) | 51,651 |
| Financial liabilities measured at fair value through net income | - | - |
| Net gains and losses (including changes in fair value) | | |
| Financial assets measured at fair value through net income | - | 342,778 |
| Financial liabilities measured at fair value through net income | - | - |

THE ALMSHOUSES OF ANN HOPKINS SMITHREGISTERED HOUSING ASSOCIATION NO. A2987REGISTERED CHARITY NO. 235609NOTES TO THE FINANCIAL STATEMENTS: YEAR ENDED 31ST DECEMBER 2020(CONTINUED)**Financial Instruments Risk**

The Charity does not have exposure to foreign or significant exposure to cash flow and interest rate risk. Exposure to credit, market and liquidity arise in the normal course of the Charity's business. These risks are limited by the Charity's financial management policies and practices described below.

Credit risk

The Charity has exposure to credit risk predominantly emanating from its tenants. The Charity's exposures and its tenants credit worthiness is monitored so that any potential problems are detected at an early stage.

Market risk

There is a risk associated with loss of receipts of rental income most of this is mitigated due to the high demand for sheltered houses for elderly widows and spinsters to mitigate exposure to market risk.

Liquidity risk

The Trustees have ultimate responsibility for liquid risk management in maintaining adequate reserves and banking facilities. The trustees consider that collective managed funds such as the Charity Multi Asset Fund managed by M&G are a satisfactory way of investing their portfolio and to mitigate the exposure to liquidity risk.