

**GEORGE GREEN'S ALMSHOUSES**

**TRUSTEES REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019**

**Registered Charity Number: 211197**  
**National Almshouse Association Registration Number: 24**  
**Regulator of Social Housing Number: A3038**

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# GEORGE GREEN'S ALMSHOUSES

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# GEORGE GREEN'S ALMSHOUSES

## OFFICERS AND FINANCIAL ADVISORS

**Trustees**  
Alexander Campbell JP MNM (Chair)  
Terence Simco MBE MNM  
Gwynedd Somerville (resigned 12 October 2018)  
David Morgan  
Alison Westbrook  
Jakki Moxham  
Jacinta Balchin  
Neelam Debata (resigned 31 July 2018)

**Secretary to the Trustees**  
Stephen Robertson LLB FCIH MA ACIS  
10 Bell Mead  
Sawbridgeworth  
Herts CM21 9ES

**Charity Number** 211197

**National Almshouse Association Registration Number:** 24

**Regulator of Social Housing Number:** A3038

**Independent Auditors**  
Ramon Lee Audit LLP  
93 Tabernacle Street  
London  
EC2A 4BA

**Legal Advisors**  
Devonshires Solicitors LLP  
30 Finsbury Circus  
London EC2M 7DT

**Bankers**  
CAF Bank Limited  
25 Kings Hill Avenue  
Kings Hill  
West Mailing  
Kent ME19 4JQ

The Charity Bank Limited  
Fosse House  
182 High Street  
Tonbridge TN9 1BE

**Housing Consultant**  
John Bigby Housing Consultants Ltd  
34a Brightside  
Billericay  
Essex CM12 0LJ

**GEORGE GREEN'S ALMSHOUSES**  
**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2019**

The Charity has as its constitution a Charity Scheme registered by the Charity Commission. It is also a social landlord registered with the Regulator of Social Housing.

The Trustees present their annual report together with the audited financial statements of George Green's Almshouses (the charity) for the year ended 31<sup>st</sup> March 2019. The Trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1<sup>st</sup> January 2015).

## **OBJECTIVES AND ACTIVITIES**

### **Policies and objectives**

The beneficial group that the charity aims to assist, under the terms of its governing document, the charity scheme, are poor women who are inhabitants of the London Borough of Tower Hamlets.

The main activity of the charity is the provision of housing and George Green's Almshouses completed the building of Sarah Perry House (eight new almshouses) in July 2015, located in Flora Close, Poplar. Sarah Perry House was named after George Green's wife. In 2018 the charity acquired and renovated three further flats in Spanby Road, Bow.

### **Activities for achieving objectives**

The Trustees review regularly the investment returns and actual income and expenditure against budgets. During the year the charity successfully applied for grant aid and a loan to finance the acquisition of the flats.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Key Performance indicators**

The Trustees monitor the charity's performance throughout the year. Key Performance Indicators have been identified and are reviewed annually:

- **Aims**  
The objects of the charity are to provide homes for poor women from Tower Hamlets.
- **Estates / Health & Safety**  
During the year the grounds around Sarah Perry House have been improved through additional planting. On behalf of the charity, Providence Row Housing Association arranged for gas boilers to be serviced and for the recommendations from a Fire Risk Assessment to be implemented.
- **Finance and Investment**  
The trustees of the charity have considered the best use of its assets and applied for further grant and loan funding to add to provide the three new homes.
- **Remuneration and Staffing**  
The charity does not employ any staff and Sarah Perry House is managed by Providence Row Housing Association Ltd under a management agreement.
- **Trustee Commitment**  
The trustees have overseen the operations of the charity by meeting four times during the financial year. The trustees agreed to give the residents a small Christmas gift. With Providence Row Housing Association, the trustees have been researching the life of George Green on the 250<sup>th</sup> anniversary of his birth and working with the London Borough of Tower Hamlets.

# GEORGE GREEN'S ALMSHOUSES

## TRUSTEES' REPORT (Cont'd)

### FOR THE YEAR ENDED 31 MARCH 2019

#### Review of activities

The main focus in the 2018-19 year was to consider the best use of surplus funds in the region of £600,000.

The trustees considered that the proceeds from the sale of the original almshouses in Upper North Street should be regarded as Permanent Endowment. Due to the usage of the grant from the Greater London Authority and a £400,000 loan from Charity Bank in the construction of Sarah Perry House there was an unspent Permanent Endowment sum of £294,210. Permanent Endowment should only be spent on freehold property, but in view of the property market in Tower Hamlets it was likely that it would only be possible to buy properties for single people on a leasehold basis. In view of these circumstances, consent to apply the Permanent Endowment to leasehold property was sought from the Charity Commission and granted on 1<sup>st</sup> June 2018.

As grant finance of £294,136 was awarded by the London Borough of Tower Hamlets and a further £100,000 loan from Charity Bank obtained, the Permanent Endowment of £294,210 was applied to flats 16 and 80 Spanby Road, Bow. The remaining property, 64 Spanby Road, is therefore regarded as an investment.

John Bigby Housing Consultants Ltd was employed as project manager and valuations were obtained for the acquisition of three leasehold properties from Poplar HARCA. Specifications were procured for the works necessary to bring the three properties to modern lettable standards. New kitchens, bathrooms, heating systems were included in the specification and the works were undertaken by Olli Construction Ltd.

In addition to applying for and obtaining grant from the London Borough of Tower Hamlets and the loan from The Charity Bank, the trustee agreed to draw down £150,000 from its investments with M&G Investment Management Limited to provide cash flow finance for the acquisition and works.

Practical completion of 64 and 80 Spanby Road took place on 30 November 2018 and of 16 Spanby Road on 7 January 2019.

#### Overview

The Charity's financial statements for the year ended 31 March 2019 show a surplus of £28,013 (2018 – surplus £5,995) and reserves stand at £1,723,714 (2018 - £1,695,701). During the year the acquisition and refurbishment of three flats led to the reduction of cash held at the bank and an increase in loan and grant finance. The income from lettings started in the first quarter of the 2019 – 2020 year.

The new £100,000 Charity Bank loan was at an interest rate of 2.85% above the base rate and at the same time the existing £400,000 loan was reduced from 5.5% to 2.85% above base rates.

#### Investment policy and performance

Under the Charity Scheme, the Charity has the power to make any investment which the trustees see fit. The trustees have considered the most appropriate policy for investing funds and have found that a mix of cash deposits and investments in a Common Investment Fund meet their requirements to generate income.

#### Public benefit statement

In shaping the objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PD2)'. The achievements and activities above demonstrate the public benefit arising through the Charity's activities.

#### FINANCIAL REVIEW

A management and maintenance fee is payable under the management agreement with Providence Row Housing Association. Other costs include loan repayments, insurance and the provision of services to the building. The operating surplus was £15,116 (2018: £14,353) and the value of investments increased by £12,897 after a disposal in the year. The operating surplus is after setting aside funds for future major repairs and cyclical decorating.

#### Reserves Policy

Currently all of the Charity's assets are represented in Sarah Perry House, the three newly acquired properties at Spanby Road, Bow, on bank deposit and invested in an M&G Common Investment Fund.

# GEORGE GREEN'S ALMSHOUSES

## TRUSTEES' REPORT (Cont/d)

### FOR THE YEAR ENDED 31 MARCH 2019

The trustees have determined a reserves policy to ensure that there are designated funds to cover the cost of long term major repairs. The figures suggested by the National Almshouse Association have been used.

The Extraordinary Reserve Fund (for long term major repairs) will be maintained as laid down by the scheme and currently stands at £11,672 (2018 - £7,680).

The Cyclical Maintenance Fund (for external and communal decorating) will be maintained as laid down by the scheme and currently stands at £14,519 (2018 - £9,551)

A new fund for the eventual replacement of the lift at Sarah Perry House has been established by transferring £500 per annum from the service charge.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Constitution

The charity's activities and constitution are determined by the scheme of 14<sup>th</sup> January 1985 as amended by resolution dated 4<sup>th</sup> July 2008.

During the year steps have been taken to establish the regulatory and contractual requirements to convert the charity to a Charitable Incorporated Organisation

### Method of appointment or election of Trustees

The Trustees of the Charity who served during the year are set out on page 2. Potential new Trustees are firstly invited to an interview with the Chair and one other trustee assesses their suitability to act as a trustee. A recommendation is made to the full board of trustees to approve new trustees. Newly appointed trustees sign a statement of obligations and confirm that they are not disqualified from acting as a charity trustee.

### Policies adopted for the induction and training of Trustees.

Once appointed, new Trustees are made aware of their responsibilities by attendance at outside courses if necessary. Training sessions are available through the National Almshouse Association.

### Pay policy for senior staff

The charity does not employ any staff.

### Organisational structure and decision making

The trustees meet quarterly as a Board. A management agreement is in operation to set out the obligations and responsibilities of Providence Row Housing Association, as manager. During the year, the trustees adopted the new Charity Governance Code for Smaller Charities.

### Risk Management and Compliance

The trustees believe in accepting unavoidable manageable risks when carrying out the strategic objectives of the charity and prioritising actions that minimise them. The trustees recognise that sound risk management is at the core of every successful business and understand the need to take a balanced approach to risk and for effective controls to ensure that risks are managed and minimised.

During 2018 / 2019 the main risks involved the acquisition and refurbishment of three new almshouses to a satisfactory standard and on time and in finding people within the beneficial group of the charity to live in the flats to minimise the loss of income on empty flats.

The main management risks related to ensuring the properties were managed well and that there was compliance with health and safety requirements. The trustee's monitored gas boiler and lift servicing and fire safety risk assessments through the year.

Providence Row has direct communication with the Chair and Secretary to deal with urgent matters, to be responsive and to minimise risk. Providence Row provides quarterly performance reports to allow the trustees to manage risk and exercise good governance.

# GEORGE GREEN'S ALMSHOUSES

## TRUSTEES' REPORT (Cont/d)

### FOR THE YEAR ENDED 31 MARCH 2019

Two Trustee signatories are required before cheques are paid and the trustees approve significant expenditure before it is incurred. Invoices which are settled by electronic payment are authorised, input by a finance officer and authorised by the Chair.

Providence Row Housing Association were appointed as professional housing managers under a management agreement to provide day to day housing management and to ensure compliance with the National Standards of the regulator, the Regulator of Social Housing (RSH). Registered providers are required by the RSH to certify their compliance with the Governance and Financial Viability Standard. The Board confirms that the Charity complies in all material respects with the Standard.

#### FUTURE ACTIVITIES

The main activities for 2019-2020 include ensuring that the three new flats are let and that the new residents receive appropriate welfare benefit advice, further work in relation to the conversion of the charity into a Charitable Incorporated Organisation, a review of the management agreement with Providence Row Housing Association, and a review of compliance with the newly adopted Charity Governance Code for Smaller Charities.

#### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The charity trustees are 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 and Wales 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:

- (a) select suitable accounting policies and apply them consistently;
- (b) observe the methods and principles in the applicable Charities SORP;
- (c) make judgements and estimates that are reasonable and prudent;
- (d) state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements; and
- (e) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the Trust Deed. 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.

The trustees are responsible for the maintenance and integrity of the charity and the financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

#### DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each of the persons who are Trustees of the Charity at the date when this report was approved:

- So far as each of the Trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware; and
- Each of the Trustees has taken all the steps they ought to have taken to make them aware of any relevant audit information (as defined) and to establish that the Charity's auditors are aware of that information.

Approved by the Board of Trustees and signed on its behalf by:

.....  
A Campbell (Chair)

30<sup>th</sup> August 2019

# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF GEORGE GREEN'S ALMSHOUSES

## Opinion

We have audited the financial statements of George Green Almshouses (the 'charity') for the year ended 31 March 2019 which comprise income and expenditure accounts, balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 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.

## 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly

stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## 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 (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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.



# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF (Cont/d)

## GEORGE GREEN'S ALMSHOUSES

### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6 the trustees 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.

### Auditor's responsibilities for the audit of the financial statements

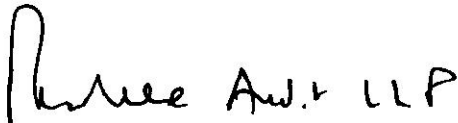
We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charity'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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**RAMON LEE AUDIT LLP  
STATUTORY AUDITORS  
CHARTERED ACCOUNTANTS**

**93 TABERNACLE STREET  
LONDON EC2A 4BA**

**30<sup>th</sup> August 2019**

Ramon Lee Audit LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

**GEORGE GREEN'S ALMSHOUSES**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019**  
**SUMMARY INCOME AND EXPENDITURE ACCOUNT**

	Notes	General Fund £	Designated Fund £	2019 £	2018 £
<b>Income</b>					
Income from charitable activities	3	69,561	-	69,561	65,255
Income from other trading activities	4	500	-	500	355
Investment income	5	8,550	-	8,550	12,520
<b>Total income</b>		<u>78,610</u>	<u>-</u>	<u>78,610</u>	<u>78,130</u>
<b>Expenditure</b>					
Cost of raising funds	6	-	-	-	102
Expenditure on charitable activities	6	63,494	-	63,494	63,675
<b>Total expenditure</b>		<u>63,494</u>	<u>-</u>	<u>63,494</u>	<u>63,777</u>
<b>Net expenditure &amp; net movements in funds for the year</b>		15,116	-	15,116	14,353
Net gains/losses on investments	8	12,897	-	12,897	(8,358)
<b>Net movement in funds</b>		<u>28,013</u>	<u>-</u>	<u>28,013</u>	<u>5,995</u>
<b>Transfers between funds</b>	16	(9,460)	9,460	-	-
<i>Reconciliation of funds:</i>					
Total funds, brought forward		1,678,470	17,231	1,695,701	1,689,706
<b>Total funds, carried forward</b>		<u>1,697,023</u>	<u>26,691</u>	<u>1,723,714</u>	<u>1,695,701</u>

**CONTINUING OPERATIONS**

None of the charity's activities were acquired or discontinued during the above financial periods.

**TOTAL RECOGNISED GAINS AND LOSSES**

The charity has no recognised gains or losses other than the above movement in funds for the above financial periods.

The notes on pages 11 to 17 form part of these financial statements.

# GEORGE GREEN'S ALMSHOUSES

## BALANCE SHEET

AS AT 31<sup>ST</sup> MARCH 2019

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	11	1,885,619		1,207,608	
Investments	12	175,640		304,944	
		<u>                    </u>		<u>                    </u>	
			2,061,259		1,512,552
<b>Current assets</b>					
Debtors	13	20,153		18,981	
Cash at bank and in hand		151,140		571,839	
		<u>                    </u>		<u>                    </u>	
		171,293		590,820	
<b>Liabilities</b>					
Creditors falling due within one year	14	(37,970)		(34,671)	
		<u>                    </u>		<u>                    </u>	
<b>Net current assets</b>			133,323		556,149
			<u>                    </u>		<u>                    </u>
			2,194,582		2,068,701
Creditors falling due after one year	15		(470,868)		(373,000)
<b>Net assets</b>			<u>                    </u>		<u>                    </u>
			1,723,714		1,695,701
<b>The funds of the charity</b>					
Unrestricted funds:					
General	16		1,697,023		1,678,470
Designated	16		26,691		17,231
<b>Total charity funds</b>			<u>                    </u>		<u>                    </u>
			1,723,714		1,695,701

The financial statements were approved by the Trustees on 30<sup>th</sup> August 2019 and were signed on its behalf by:

.....  
A Campbell (Chair)

The notes on pages 11 to 17 form part of these financial statements.

# GEORGE GREEN'S ALMSHOUSES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2019

#### 1. CONSTITUTION

The Charity has as its constitution a Charity Scheme registered by the Charity Commissioners and it is registered with the Regulator of Social Housing.

#### 2. ACCOUNTING POLICIES

##### 2.1 Basis of preparation of accounts

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) (effective 1 January 2015) – (Charity SORP (FRS 102) Revised), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charity has opted to have early adoption of Charity SORP (FRS 102) Revised.

They also follow the recommendations of the Statement of Recommended Practice (SORP) "Accounting by registered social housing providers 2010" and the Accounting Direction for Private Registered Providers of Social Housing 2012.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

George Green's Almshouses meet the definition of a public benefit entity under FRS 102.

##### 2.2 Preparation of accounts on a going concern basis

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

##### 2.3 Income recognition

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and amount can be measured reliably.

- (a) Rental income and service charge income are credited to income in the year in which they are receivable.
- (b) Investment income is included when receivable.

##### 2.4 Expenditure recognition and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- (a) Cost of raising funds comprises costs of solar panel feeds and their associated support costs.
- (b) Expenditure on charitable activities includes the costs directly associated with running an Almshouse for poor women in the London Borough of Tower Hamlets and to further the purposes of the Charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

##### 2.5 Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, and governance costs which support the activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 7.

# GEORGE GREEN'S ALMSHOUSES

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### FOR THE YEAR ENDED 31 MARCH 2019

#### 2.6 Fund accounting

The general fund comprises those monies, which may be used toward meeting the charitable objectives of the charity at the discretion of the Board of Trustees.

The designated funds are monies set aside out of general funds and designated for specific purposes by the Board of Trustees.

The restricted funds are monies for, and or donations subject to donor imposed conditions.

#### 2.7 Freehold & leasehold properties – Almshouses

Freehold land is not depreciated. Depreciation on buildings is charged so as to write down the value of freehold and leasehold properties (other than land) on a straight line basis over their remaining useful economic lives, taken to be 60 years. Depreciation on properties is charged to the income and expenditure from date the asset comes into use over the economic useful life. No depreciation has been provided on leasehold property as the properties had not been brought into use during the year.

#### 2.8 Social Housing Grant

Where developments have been financed wholly or partly by social housing grant, the cost of those developments has been reduced by the amount of the grant received. SHG is repayable or recyclable under certain circumstances, primarily following the sale of a property but will normally be restricted to net proceeds of sale.

#### 2.9 Fixed asset investment

Investment comprise assets held to generate future income. All investment assets are shown on the balance sheet at market value at the balance sheet date. The market value has been determined by the Independent Investment Portfolio Manager. Realised gains and losses arising on the revaluation of investment assets are included in the Statement of Financial Activities.

#### 2.10 Realised / unrealised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

#### 2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

#### 2.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short term cash deposits.

#### 2.13 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

#### 2.14 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.

# GEORGE GREEN'S ALMSHOUSES

## NOTES TO THE FINANCIAL STATEMENTS (Cont/d)

### FOR THE YEAR ENDED 31 MARCH 2019

#### 2.15 Judgement and key sources of estimation uncertainty

In the application of the charity's accounting policies, the charity is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### 2.16 Cash flow statement

The charitable company qualifies as a small company and advantage has been taken of the exemption provided by SORP (FRS 102) as amended by Bulletin 1, not to prepare a cash flow statement.

#### 2.17 Taxation

George Green's Almshouses is a registered charity and, as such, is potentially exempt from tax on income and gains falling within Section 505 Income and Corporation Tax Act 1988 or Section 256 of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. No tax charges have arisen in the year.

### 3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted £	2019 £	2018 £
<b>Residents's Contributions:</b>			
Rent receivable	72,459	72,459	68,101
Rent voids	(2,898)	(2,898)	(2,846)
<b>Total income from charitable activities</b>	<u>69,561</u>	<u>69,561</u>	<u>65,255</u>

The income from charitable activities in 2018 were attributed to unrestricted funds.

### 4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted £	2019 £	2018 £
<b>Utilities Charges</b>			
Solar panel rebate	500	500	355
	<u>500</u>	<u>500</u>	<u>355</u>

The incomes from trading activities in 2018 were attributed to unrestricted funds.

### 5. INVESTMENT INCOME

	Unrestricted £	2019 £	2018 £
Bank interest	348	348	426
M & G Investments - Dividend income	8,201	8,201	12,094
	<u>8,550</u>	<u>8,550</u>	<u>12,520</u>

The investment income activities in 2018 were attributed to unrestricted funds.

# GEORGE GREEN'S ALMSHOUSES

## NOTES TO THE FINANCIAL STATEMENTS (Cont/d)

FOR THE YEAR ENDED 31 MARCH 2019

### 6. ANALYSIS OF EXPENDITURE

	Raising funds	Property expenditure	2019	2018
	£	£	£	£
Bank charges	-	80	80	60
Bank loan interest	-	19,753	19,753	21,855
Cleaning and gardening upkeep	-	3,351	3,351	1,414
General rates	-	-	-	-
Insurance	-	1,642	1,642	1,556
Legal and professional fees	-	300	300	13,217
Management costs	-	3,840	3,840	(7,027)
Oil, gas and electricity	-	2,671	2,671	3,969
Other utilities costs	-	-	-	(2,000)
Residents property repairs and maintenance	-	19,377	19,377	12,681
Telephone	-	114	114	448
Travelling expenses	-	575	575	344
Water rates	-	-	-	-
Depreciation	-	7,511	7,511	12,414
Support costs (see note 7)	-	921	921	1,126
Governance costs (see note 7)	-	3,360	3,360	3,720
	<u>-</u>	<u>63,494</u>	<u>63,494</u>	<u>63,777</u>

In 2018, £102 was attributed to Raising funds and £63,675 was attributed to Property.

### 7. SUPPORT COSTS

The Charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Governance costs and other support costs are apportioned separately between charity's key activity undertaken (see note 6) in the year. All the general support and governance costs have been apportioned to the various charitable activities on the basis of direct costs allocated to each activity.

	General support	Governance function	2019	2018
	£	£	£	£
Subscriptions and Licences	250	-	250	400
Miscellaneous expenses	58	-	58	131
Postage and stationery	26	-	26	37
Audit fees	-	3,360	3,360	3,720
Computer costs	88	-	88	58
Honorarium to clerk to the trustees	500	-	500	500
	<u>921</u>	<u>3,360</u>	<u>4,281</u>	<u>4,846</u>

In 2018, £1,126 was attributed to General support and £3,720 was attributed to Governance function.

### 8. GAINS / (LOSSES) ON INVESTMENT ASSETS

	Unrestricted	2019	2018
	£	£	£
Realised/unrealised gains/loss on investments	12,897	12,897	(8,358)
	<u>12,897</u>	<u>12,897</u>	<u>(8,358)</u>

# GEORGE GREEN'S ALMSHOUSES

## NOTES TO THE FINANCIAL STATEMENTS (Cont/d)

### FOR THE YEAR ENDED 31 MARCH 2019

#### 9. NET INCOME / (EXPENDITURE) FOR THE YEAR

This is stated after charging	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	7,511	12,414
Auditors' remuneration – year-end audit	3,360	3,720
	<u>          </u>	<u>          </u>

#### 10. ANALYSIS OF STAFF COSTS, TRUSTEES REMUNERATION AND EXPENSES, AND COST OF KEY MANAGEMENT PERSONNEL

No remuneration was paid to the Trustees during the year (2018 – £nil). During the year the Charity paid expenses of £460 to three Trustees (2018 - £438 to one Trustee).

The Charity did not employ any staff during the year (2018 – nil). An ex gratia honorarium of £500 (2018 – £500) was paid in the year to the Secretary to the Trustees.

#### 11. FIXED ASSETS – HOUSING PROPERTIES

	Leasehold Property £	Freehold Property £	Total Property £
<b>COST</b>			
As at 1st April 2018	-	1,791,706	1,791,706
Additions in the year	979,658	-	979,658
As at 31st March 2019	<u>979,658</u>	<u>1,791,706</u>	<u>2,771,364</u>
	<b>Social Housing Grant £</b>	<b>Social Housing Grant £</b>	<b>Social Housing Grant £</b>
<b>LESS:</b>			
As at 1st April 2018	-	(546,889)	(546,889)
Increase in the year	(294,136)	-	(294,136)
As at 31st March 2019	<u>(294,136)</u>	<u>(546,889)</u>	<u>(841,025)</u>
<b>DEPRECIATION</b>			
As at 1st April 2018	-	(37,209)	(37,209)
Charge for the year	-	(7,511)	(7,511)
As at 31st March 2019	<u>-</u>	<u>(44,720)</u>	<u>(44,720)</u>
<b>NET BOOK VALUES</b>			
As at 31st March 2019	<u>685,522</u>	<u>1,200,097</u>	<u>1,885,619</u>
As at 31st March 2018	<u>-</u>	<u>1,207,608</u>	<u>1,207,608</u>

Included in value of the freehold property is land at cost of £500,000, which is not depreciated.



**GEORGE GREEN'S ALMSHOUSES**

**NOTES TO THE FINANCIAL STATEMENTS (Cont/d)**

**FOR THE YEAR ENDED 31 MARCH 2019**

**12. INVESTMENTS – M & G INVESTMENTS (NAACIF)**

	2019	2018
	£	£
Market value, brought forward	304,944	301,610
Additions	7,799	11,692
Proceeds from the sale of investments	(150,000)	-
Realised/Unrealised gain / (loss)	12,897	(8,358)
Market value, carried forward	<u>175,640</u>	<u>304,944</u>
Total investments	<u>175,640</u>	<u>304,944</u>
Historical cost	<u>82,129</u>	<u>156,417</u>
Market value analysed by type of investment		
UK equities	175,640	304,944
	<u>175,640</u>	<u>304,944</u>

**13. DEBTORS**

	2019	2018
	£	£
Trade debtors	18,615	17,785
Prepayments	1,538	1,196
	<u>20,153</u>	<u>18,981</u>

Debtors totalling £18,615 (2018 - £17,785) represent monies collected from the tenants by Providence Row Housing Association not yet paid over to the Charity at the year end.

**14. CREDITORS: Amounts falling due within one year**

	2019	2018
	£	£
Mortgage loan	12,838	22,000
Accruals	25,132	12,671
	<u>37,970</u>	<u>34,671</u>

The mortgage loan is secured on Sarah Perry House. During the year, trustees restructured existing borrowings to reduce the interest rate.

# GEORGE GREEN'S ALMSHOUSES

## NOTES TO THE FINANCIAL STATEMENTS (Cont/d)

FOR THE YEAR ENDED 31 MARCH 2019

**15. CREDITORS: Amounts falling due after more than one year**

	2019	2018
	£	£
Mortgage loan	470,868	373,000
	470,868	373,000

The mortgage loan is secured on the charity's property and is repayable over 25 years from 2016. The Trustees borrowed a further £100,000 from The Charity Bank Ltd over a 25 year period to finance additional property purchases.

**16. MOVEMENT IN FUNDS**

	Balance 01.04.18	Income	Expenditure	Transfer	Gains & Losses	Balance 31.03.19
	£	£	£	£	£	£
<b>Designated funds:</b>						
Extraordinary Repair Fund (ERF)	7,680	-	-	3,992	-	11,672
Cyclical Maintenance Fund (CMF)	9,551	-	-	4,968	-	14,519
Lift Replacement Fund (LRP)				500		500
	17,231	-	-	9,460	-	26,691
General funds	1,678,470	78,610	(63,494)	(9,460)	12,897	1,697,023
<b>Total Unrestricted Funds</b>	<b>1,695,701</b>	<b>78,610</b>	<b>(63,494)</b>	<b>-</b>	<b>12,897</b>	<b>1,723,714</b>

In 2018, there was an income of £78,130 against expenditure incurred amounting to £63,777 and transferred £3,840 to ERF and £4,776 to CMF.

**Description, nature and purpose of unrestricted funds:**

**General funds:**

General fund represents funds available to spend at the discretion of the Trustees after allowing for all the designated funds.

**Cyclical Maintenance:**

The trustees aim to make suitable provision for future cyclical decorating works but charges actual costs incurred to the Income and Expenditure account to the Cyclical Maintenance Repair Fund each year. The intention is to cover items that are likely to require cyclical decorating over the next 5 to 7 years. The trustees have agreed to use the figures recommended by the National Almshouse Association.

**Extraordinary Repairs:**

The trustees aim to make suitable provision for the long term repair of the building by transferring a prudent amount from the Income and Expenditure account to the Extraordinary Repair Fund each year. The intention is to cover items that are likely to require replacement over the next 10 to 30 years. The trustees have agreed to use the figures recommended by the National Almshouse Association.

**Lift Replacement Fund:**

A new fund for the eventual replacement of the lift at Sarah Perry House has been established by transferring £500 per annum from the service charge.

**17. ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS**

	General Funds	Designated Funds	Endowment Funds	Total 2019	Total 2018
	£	£	£	£	£
Tangible fixed assets	193,619	-	1,692,000	1,885,619	1,207,608
Investments	175,640	-	-	175,640	304,944
Net current assets	106,632	26,691	-	133,323	556,149
	475,891	26,691	1,692,000	2,194,582	2,068,701