

TIVERTON ALMSHOUSE TRUST

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

CONTENTS	PAGE
Report of the Corporate Trustee	1-14
Statement on internal control systems	15
Corporate Trustees' responsibilities statement	16
Independent Auditor's report	17-19
Statement of comprehensive income (including income and expenditure account)	20
Statement of financial position	21
Statement of changes in equity and reserves	22
Statement of cash flows	23
Notes to the financial statements	24-35

1  
**REPORT OF THE CORPORATE TRUSTEE**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

The Corporate Trustee submits its annual report and audited financial statements for the year ended 31 December 2019. It has been a busy and successful year, we have said farewell to Elizabeth Fathi, the Chief Executive, and Directors, Susan Herniman and Gerald Luxton who resigned in May 2019 and we would like to thank them for their significant contribution to the Trust.

We have welcomed Doreen Woodward to the post of Chief Executive in August 2019 and also Andy Parkins to a new role of Property Manager in July 2019.

**INTRODUCTION**

The Corporate Trustee is pleased to report that the agreed objectives central to the work of the Tiverton Almshouse Trust of maintaining and improving core charitable activities, planning for the future and delivering a healthy financial position have been satisfied.

Tiverton Almshouse Trust is regulated by the Charity Commission and the Regulator of Social Housing (formerly the Homes & Communities Agency).

This report includes references to the Financial Statements attached and aims to address the regulatory requirements of the Regulator of Social Housing three economic standards: Value for Money, Governance & Financial Viability and the Rent Standard, throughout, as part of the reporting structure.

The total income this year in 2019 from charitable activities and other income was £969,196. The total expenditure was £816,395 leaving a surplus of £152,801. This compares to an income of £854,720, an expenditure of £744,508 and a surplus of £110,212 in 2018. The increase in the costs of repairs and maintenance this year was primarily as a result of significant upgrade work to some of our Almshouse properties.

**CODE OF GOVERNANCE**

The Charities Code of Governance 2017 has been adopted by the Board in line with Charity Commission guidance. Tiverton Almshouse Trust falls between the Code for smaller and larger charities (defined as turnover below and above £1m respectively). The Board aspires to meet the recommendations set out for larger charities whilst maintaining a level of proportionality. The Code is produced by the NCVO, ICSA, ACEVO, Association of Chairs and the Small Charities Coalition with the oversight of The Charity Commission

**1. OBJECTIVES AND ACTIVITIES**

The objects of the Tiverton Almshouse Trust in the Scheme made by the Charity Commission dated 10 September 2009 (as amended by the Scheme dated 28 July 2014) are:

- (a) the provision of housing accommodation for poor persons not less than 60 years old who have lived in the area of benefit for not less than 2 years prior to the appointment.
- (b) such charitable purposes for the benefit of the residents as the Corporate Trustee decides
- (c) the relief of persons resident in the area of benefit who are in financial hardship by:
  - (i) making grants of money to them; or
  - (ii) providing or paying for goods, services or facilities for them; or
  - (iii) making grants to other organisations or institutions which provide goods, services or facilities for those in financial hardship.

The use of income and capital must firstly be applied to meet the proper costs of administering the charity and managing its assets (including repair and insurance of its buildings) and to make annual payments into the reserve funds considered necessary in the annual budget.

The remaining income to further the objects of the charity are made in the following order of priority:

- (a) the benefit of the residents
- (b) the relief of financial hardship of persons living in the area of benefit (which is Tiverton and environs).

REPORT OF THE CORPORATE TRUSTEE  
FOR THE YEAR ENDED 31 DECEMBER 2019

The greatest activity within the Trust is the maintenance of its properties. In addition to almshouse accommodation, the Trust also owns investment property in Tiverton. The board considers that the objects are still relevant to the work of the charity. The popularity of the almshouse accommodation, the low level of voids, plus financial security of the organisation means that it achieves, and can sustain, its objectives. Plans for the future address how those objectives can be taken forward to enable beneficiaries to continue to benefit from the Trust's charitable activities as the government and society shifts to take care of a more ageing and frail older population.

#### Public Benefit

In carrying out the Trust's aims and objectives and in measuring achievements and performance, the Corporate Trustee has had regard to the Charity Commission's guidance dated February 2014 entitled "Public Benefit: rules for charities". Given that the Trust's objective is the relief of poverty (see objects above) only the benefit aspect of "public benefit" requires satisfying. The Commission specifies that the purpose of the charity must be beneficial in a way that is identifiable and capable of being proved by evidence where necessary and not based on personal views. Perhaps the most quantifiable measure to identify whether the charity has a benefit to the local population eligible for accommodation is the low level of voids within the almshouses. The same report can be given as last year in that, without exception during the year, a vacancy was filled within six weeks and more often within four weeks, depending upon the necessity for refurbishment.

In line with the Trust's governing scheme 2009, the charity provides housing for local people over 60 years old and in financial need. Through regular advertising, open days, contact with Mid Devon District Council, local voluntary agencies such as Age UK and charities such as the Churches Housing Action Trust (CHAT) the Trust reaches a wide audience. Eligible applicants waiting for accommodation are numerous and from a wide variety of backgrounds indicating that the Trust is reaching its beneficiary group. Nevertheless, The Corporate Trustee strives to raise the profile of the Trust within the town still further and the Annual Plan has targets for ensuring wider awareness which were met during the year. The rigorous application of a points system ensures each applicant meets the required criteria and enables each applicant to be prioritised primarily on the basis of financial need. The applicant in greatest need at the time a vacancy arises is offered the accommodation regardless of how long they have been known on the list.

Tiverton Almshouse Trust, almshouse properties are usually fully occupied with no voids (a void is defined as an empty flat awaiting allocation with no further redecorating or refurbishment required before it is occupied). The National Almshouse Association considers a 5% minimum void rate is acceptable and a void allowance of up to 12.5% may be suitable for small groups of almshouses, given the specific beneficiary group they serve. That would indicate that 4 to 9 of the Trust's properties could be void at any one time. In practice, there were no voids during the year. During 2019 nine vacancies arose (ten in 2018). Following upgrading and redecoration all nine were occupied within six weeks.

#### Properties

In total there are 83 almshouses, three units are occupied by the two Resident Wardens and the House Manager. One almshouse for a resident warden was extended in 2019 to accommodate her young family, so we now have 82 almshouses. They are provided on three geographically separate sites within Tiverton, namely:

1. Greenway Gardens, King Street
2. Sles, Angel Terrace
3. John Greenway Close, Gold Street.

The accommodation is designed for independent living, as residents get older, the Trust continues to support them for as long as possible and some residents receive third party care packages, social/community services assistance and support from the mental health team as required.

In addition, Tiverton Almshouse Trust owns the freehold of a number of commercial properties in the centre of Tiverton comprising retail and residential flats as well as two office buildings known as Raymond Penny House and John Greenway Building in the centre of town. The Trust also owns two terraced houses in Westex, Tiverton.

**REPORT OF THE CORPORATE TRUSTEE  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**2. ACHIEVEMENTS AND PERFORMANCE**

**Maintaining Properties**

The Charity Commission Scheme states that the main object of the charity is to provide almshouses for a specified group of local people. Income and capital must first be used to meet the proper costs of administering the charity and repairing, maintaining and insuring the buildings.

Total expenditure (operating costs and interest payable) increased by £71,887 to £816,395 in 2019, primarily as a result of essential upgrade work to our Tunstall Emergency Call System for residents. In 2019, and in line with the quinquennial surveys, the Trust undertook a budgeted programme of works and cyclical maintenance.

All contracts for programmed works and significant repair works are put out to tender. The specification and contract administration (including tender administration and reporting) has been undertaken this year by Assinder Turnham, Chartered Surveyors. Minor routine maintenance is undertaken either by the Trust's handyman or by one of an approved number of sub-contractors. Quotes are not required for work anticipated to be less than £1500 to avoid inefficiency and wasted staff time and sub-contractor time. Sub-contractors are required to breakdown labour and parts entries on invoices and, where possible, discounts for regular work are requested and often granted. All invoices are checked three times – by the Finance Administrator, Property Manager and finally the Chief Executive before being approved by Directors.

At the end of the year all almshouse properties were occupied and all commercial properties were occupied apart from one, where the long standing commercial company had left in October and after a tender exercise, the property, including the commercial shops and residential flats above it were to undergo a major refurbishment in January 2020.

**Maintenance of Almshouse Properties**

Of the £816,395 total operating costs and interest payable in 2019 for all properties (investment properties and almshouses combined) £238,598 was spent on almshouse maintenance by way of programmed works, general redecoration and, where necessary redecoration and refurbishment of the nine flats that became vacant. Within the programmed works are two rolling programmes, namely: boiler replacement and kitchen upgrades/bath replacement with showers at John Greenway Close and Greenway Gardens. Boiler replacement costs this year were £25,130, bathroom and kitchen replacements was £68,439. The costs for upgrading and extending one of the warden's homes was £15,291 and the upgrading of fire doors was £22,971.

Increased regulation means increased routine checks which continue to present additional financial cost and staff time. The two most costly regulatory functions relate to legionella prevention and fire safety. The monthly, six-monthly and annual checks for monitoring water hygiene systems to reduce the risk of legionella cost the Trust £8,912 in 2019 and to check fire detection systems the cost is annually £5,513. Where possible staff carry out routine checks but specialist services are more frequently required to fulfil legal obligations. Quotes are invited for this work and annual contracts awarded.

**Residents Satisfaction**

We carry out an annual resident's satisfaction survey, results for 2019 are below compared with 2018 results

<b>Customer Satisfaction Survey</b>	<b>2018</b>	<b>2019</b>
Satisfaction with overall service	98%	100%
Satisfaction with the overall quality of your home	99%	100%
Satisfaction of feeling safe living in your Almshouse	98%	100%
Satisfaction that your weekly maintenance contribution provides value for money	99%	99%
Satisfaction that your utility contribution charges provide value for money	99%	99%
Satisfaction with repairs and maintenance	96%	96%
Satisfaction that Tiverton Almshouse Trust listens to your views and acts upon them	84%	96%

REPORT OF THE CORPORATE TRUSTEE  
FOR THE YEAR ENDED 31 DECEMBER 2019

The Trust joined a benchmarking group in 2018 in order to compare the annual costs of running the almshouse properties with similar almshouse charities and small housing associations across the country. Our level of resident's satisfaction scores very favourably with other organisations, we sit just below the median for spend on reactive repairs and just above for cyclical and major repairs. We have invested in a bespoke property management system for the Trust and introduced cloud based I.T systems which will help going forward in recording more detailed data for benchmarking.

Investment property maintenance

Expenditure on day to day maintenance on the Trust's investment properties was significantly less than on almshouse properties which is to be expected given the tenancy agreements on the former which oblige commercial tenants to keep properties in good and tenantable repair. In 2019 the routine and cyclical maintenance expenditure for the Trust on these properties was just over £22,248 primarily consisting of servicing and general repairs and including planned works.

Provision of Almshouse Accommodation

Tiverton Almshouse Trust is a social housing provider registered with, and regulated by, the Regulator of Social Housing (formerly the HCA). The Trust is also a registered charity and therefore regulated by the Charity Commission. The main purpose of the organisation is to provide housing to local people over 60 years of age and in financial need. Applications are encouraged from anyone who believes they fulfil the basic three criteria and are scrutinised in line with an internally approved policy which is regularly reviewed (at least every three years) to ensure consistency and relevance (see below).

Two out of our three sites have a Resident Warden. The third site, known as Sles, is a historic building in the town centre comprising three flats. Residents at Sles are not visited regularly by a Resident Warden but the House Manager will visit as necessary. This is because, in general, residents at Sles need to be mobile due to the restrictive historical layout.

The Resident Warden's remit is to ensure the daily well-being of all residents and although they are not medically trained and do not provide personal care they assist residents in day-to-day living. Their role can be described as "being a good neighbour". There is a 24-hour emergency call system within Greenway Gardens and John Greenway Close enabling residents to access emergency help at all times of the day and night. The Resident Wardens maintain regular contact with family members when necessary and, in particular, when a resident is unwell. Resident Wardens also provide a variety of social activities where residents are invited, but are not obliged, to attend. These are held within the Community Room on the two main sites.

Every six weeks there is a meeting on each of the main sites attended by appointed Directors of the Pastoral Sub-Committee, the Chief Executive, the House Manager and the Resident Warden to discuss management and resident issues. Directors on this committee are also responsible for interviewing new applicants and allocating vacant almshouses.

Residents pay a Weekly Maintenance Contribution for their accommodation and a contribution to water supply and gas (Utility Contribution). Weekly Maintenance Contributions (WMC) vary from £85 per week to £115 per week depending on the accommodation that is provided. In addition, all residents pay a £23.50 Utility Contribution based on single occupancy and £29.50 per week based on double occupancy. The Corporate Trustee aims to keep resident contributions as low as possible taking into account formulas provided by the Regulator of Social Housing (RSH) and equivalent fair rent assessments from the Valuation Office Agency (VOA). The latest VOA assessment was undertaken in November 2019. WMC was kept to £2 per week increase and there was no increase to the Utility Contributions. In addition, the Chief Executive consults with Mid Devon District Council on any WMC increase to ensure that those residents who require assistance can access 100% of the rent payment through housing benefit if eligible.

The Corporate Trustee strives to ensure a fair, consistent and transparent process when allocating almshouse accommodation. There is an approved policy within the Trust to advertise in the local newspaper, maintain regular contact with local organisations such as Age UK and the Churches Housing Action Trust (CHAT) as well as Devon Home Choice (the bidding portal for local authority housing and housing associations). Adverts are also placed in Mid Devon District Council's reception. All applicants must complete a comprehensive application form including a financial information section and be interviewed by the appointed

REPORT OF THE CORPORATE TRUSTEE  
FOR THE YEAR ENDED 31 DECEMBER 2019

Directors. A points system is in used to ensure consistency. Those applicants placed on the list awaiting allocation are regularly reviewed and applicants are encouraged to keep in touch with the House Manager.

A good working relationship with Mid Devon District Council and local housing charities ensures a wide-ranging local awareness of the almshouses. Innovative ways to widen the search for applicants are put in place, using media such as Facebook and this year the chapel at John Greenway Close was opened on two Sundays in the run up to Christmas drawing in over 200 visitors. Once an applicant is accepted in principle a priority weighting system ensures the applicant in greatest need is offered any vacancy first, in accordance with the Scheme.

The continuing lack of care homes within the town and surrounding means that residents are staying in their homes longer than in previous times, social care support is now provided at home and hospital admissions generally reserved for emergencies which means that care agencies and health professionals are frequently on site.

#### Alexandra Lodge

Planning permission was granted in 2015 to The Abbeyfield Society for the redevelopment of Alexandra Lodge, an empty listed house in gardens within the town, for a 45-bed extra-care unit. The freehold of the property is owned by Tiverton Almshouse Trust and, following planning permission, a 250-year lease was signed to The Abbeyfield Society. Since then progress has been slow and due to financial issues Abbeyfield may not be able to continue with their plans for this site. Tiverton Almshouse Trust are in communications with Abbeyfield to see the options that they are pursuing to ensure the site is able at some point in the future to be developed by another organisation to ultimately benefit the people of Tiverton.

#### Relief of Financial Hardship

The additional objects of the charity allow for the relief of poverty for local people who are in financial hardship by making grants of money to them or making grants to other organisations or institutions with similar aims. The amount of money donated to achieve this object is considered by The Corporate Trustee at the AGM each year and the donation is often given to a local organisation with similar aims.

This year, as the last two years, the Corporate Trustee agreed to make a grant to the Churches Housing Action Trust (CHAT) a local charity whose purpose is to assist those in need to find and afford housing. The £10,000 donation listed within the Operating Costs (Note 4 to the Financial Statements) is significantly more than previous years and is based on the future plans of that organisation and specifically the need for an additional Housing Advice Officer in part due to the increase in the number of Tivertonians experiencing hardship due to the government changes from Housing Benefit to Universal Credit. The similarity in beneficiary group and the shared objectives between the Trust and CHAT were an additional factor in the decision to make the grant. A report from CHAT on how the donation was used and its impact will be given by their Trustees at the Tiverton Almshouse Trust AGM in May 2019.

### 3. FINANCIAL REVIEW

The Corporate Trustee reviews its reserves and, in particular the non-designated funds and expendable endowment to be used for "the proper costs of administering the charity and of managing its assets" (Charity Commission Scheme September 2009). A Reserves Policy addresses the Expendable Endowment and designates funds to the actions approved in the Five Year Strategy. There are regular reviews of operational risks and requirements, sufficient reserves are maintained in order to address these requirements.

Specifically, funds were set aside to refurbish existing residential investment property in the event that negotiations to renew long term leases in 2019 on two significant commercial properties within the town are subject to change. As stated one of these leases came to an end in September 2019 and work was undertaken to produce a specification and complete a tender process for a refurbishment of this commercial and residential investment property.

Reserves are also held in order to take advantage of savings that may occur as a result of paying off a significant portion of the mortgage, to upgrade the emergency call system in 2019, to cover the programme of works and to allow for investigations into alternative ways of developing additional almshouses

REPORT OF THE CORPORATE TRUSTEE  
FOR THE YEAR ENDED 31 DECEMBER 2019

accommodation or additional commercial investment property. As stated in the Investment Policy, the objective of the Corporate Trustee in holding investments within a share portfolio is to produce the best financial return and capital growth within an acceptable risk and to balance the income and capital return.

The four risks identified in the report last year still stand, namely:

- i. Capital growth not keeping up with inflation thereby leading to a decline in the real value of the investment
- ii. Fluctuating income from share portfolios and deposit accounts
- iii. Bank default.
- iv. More topically, the unknown effect of the current Brexit negotiations is noted.

To limit the above risks the board has delegated certain decisions to the Property & Finance Sub-committee (which consists of over half of the board's number) including allowing those members to re-invest maturing funds subject to the current Financial Services Compensation Scheme Limit. This allows decisions to take advantage of available investment offers (especially fixed rate bonds open for a short-time) by acting in a timely manner. All investments, apart from those held within share portfolios, are monitored at every sub-committee meeting.

Shareholding portfolios are managed by professional brokers and/or fund managers and an annual review is undertaken at the November board meeting of the Corporate Trustee.

The Corporate Trustee has considered ethical investments in line with ensuring that investments are not made into companies with opposite values from that of the Trust and has therefore put restrictions on investing in any fund that is linked to the production or sale of Tobacco in 2019.

It also considered companies who seek to make people homeless, however this would be difficult to monitor and enforce, it was decided not to impose this ethical restriction. The Corporate Trustee accepts that the ethical values of individual Director's must not compromise policy decisions.

The Statement of Comprehensive Income shows that income received from almshouse residents' weekly contributions (including service charges) has increased by £4,513 primarily as a result of the annual review of charges in April. The Corporate Trustee is mindful of maximising income (for the charity's future sustainability) commensurate with fulfilling the Charity Scheme objective to ensure no resident suffers financial hardship.

Operating costs (note 4) show some marked changes from the previous year mainly as a result of for the first time separating costs related to social housing and investment properties and apportioning costs across the two areas. 2018 figures have been restated in these accounts in respect of operating costs for transparency/comparison and value for money analysis.

The income from fixed asset investments (shareholdings and deposits) increased by £2,842 over the year, the managed portfolio is (valued at £1,303,606) at the end of 2019.

The Board decided to leave the asset allocation and level of funds invested unchanged in 2019. The annual total return on the managed portfolio is reflected in Note 14 (unrealised gain of £316,219).

Last year Directors decided to reinvest the income from the managed portfolio rather than receive it as dividends. The impact of this decision can be seen in Note 14 where income reinvested has risen from £61,693 in 2018 to £63,739 in 2019.

Rents receivable from investment properties (see Note 9) have reduced from 2018 £264,049 to £254,903 in 2019, mainly due to one larger value lease with a commercial tenant ending at the end of September 2019. Rents for retail units in the town have not recovered to levels seen ten years ago and a number of empty units within the vicinity have the effect of keeping rents low. At the year-end there were just one commercial void.

7  
REPORT OF THE CORPORATE TRUSTEE  
FOR THE YEAR ENDED 31 DECEMBER 2019

Professional valuations are undertaken on a five-year rolling programme and this year took place on Greenway Gardens, Sles and Raymond Penny House.

Greenway Gardens increased in value from £1,650,000 to £1,700,000, Sles increased from £135,000 to £140,000 and the value of Raymond Penny House stayed the same at £200,000. Informal valuations were undertaken by the Corporate Trustee on all remaining investment properties and kept at 2018 levels.

Permanent endowment (identified as investment properties, housing properties and other investments agreed as such by the Charity Commission as part of their investigations prior to the merger in 2009) has increased by from £8.25m to £8.52m reflecting the increased valuations from investments held (Note 20). Expendable endowment has increased from £712,899 to £865,209 for the same reasons.

Other Reserves of £1,428,044 shown in the Statement of Financial Position are identified in note 19 and split into:

1. The extraordinary repair fund which allows for unforeseen expenditure necessary to carry out the Trust's objectives.
2. Programmed works are based on the five-year budget forecast, the quinquennial surveys and conditions surveys that are carried out for the Trust on a regular basis to ensure that there is a rolling programme of maintenance.
3. The cyclical maintenance fund reflects expenditure on work to maintain properties that is undertaken every so often on a regular, but not annual, basis, such as redecorating almshouses when a resident moves out.

The mortgage debt for the 2004 development of thirty-two new almshouses at John Greenway Close remains the single largest financial commitment despite the repayment of part in 2017. The financial statements show the annual interest payment for the year £14,506 and a reduction in the value of the outstanding mortgage of just under £30,000 to £643,035.

The mortgage is held in two separate accounts, one fixed until 2022 and one variable allowing just over half of the sum owing to be paid off at any time should Directors deem prudent to do so.

#### 4. PLANS FOR THE FUTURE

A five-year plan (2017-2022) has been approved by Directors. In summary the aim within that plan over the five-year timescale is to:

- i. Improve/adapt housing to enable residents to stay as almshouse residents for as long as possible
- ii. Improve warden services to enable residents to stay as long as possible
- iii. Work with third parties to assist in providing the next step for residents requiring greater care
- iv. To improve public awareness of the Trust, including awareness within local organisations.
- v. To investigate the provision of new almshouses where the opportunity arises.
- vi. To ensure all commercial properties are fully let and updated where necessary for new tenants

The five year plan translated into the following annual plan and achievements for 2019:

- i. To refurbish the bathrooms within vacant ground floor flats at John Greenway Close to shower rooms. It was decided to include refurbishment of all vacant units whether ground or first floor.
- ii. To investigate the provision of greater support for residents (through telecare, midday meals). The replacement of the Tunstall emergency call system took place in May 2019 and telecom work in preparation was undertaken in 2018. Weekly mid-day meals which were piloted in 2019 have remained popular and remain in place for residents to access.
- iii. Tender process was implemented for the refurbishment of one vacant commercial property and 4 residential flats above it, work to start in January 2020.
- iv. A review of accounting software and I.T. systems was undertaken and new more efficient systems introduced.



**REPORT OF THE CORPORATE TRUSTEE  
FOR THE YEAR ENDED 31 DECEMBER 2019**

- i. During the consideration of the Reserves Policy, Directors decided to widen the search for redevelopment opportunities for additional almshouses and this is still a focus for 2019.
- ii. To undertake talks, advertising, greater social media reach and closer liaison with Mid Devon District Council with a view to increasing the awareness of the Trust in providing homes for local older people in need. Considerable progress continues to be made in this regard and is included within the almshouse report above.

**5. CHARITY STRUCTURE, GOVERNANCE AND MANAGEMENT**

Tiverton Almshouse Trust is regulated by The Charity Commission and the Regulator of Social Housing (formerly the HCA). Under the latter, it is classed as a Registered Provider of social housing. In 2014 a new Charity Commission Scheme changed the way the Trust was governed. Tiverton Almshouse Trust is a registered charity with the objects outlined above (see section 1). The 2014 Scheme gave permission for the charity to have one corporate trustee rather than twelve individual trustees and, as a result, a new company limited by guarantee known as Tiverton Almshouse Trustee Ltd was established to be that sole trustee.

Within the Company (the Corporate Trustee) are the twelve voluntary Directors (previously called Trustees). The Tiverton Almshouse Trust Scheme provides the Corporate Trustee with the same powers as before and the Articles of Association provide further provisions. The incorporated structure is more recognisable to banking and commercial sectors and provides Directors with increased indemnity protection.

The Directors have a term of appointment of five years. Directors can be re-appointed and there is no maximum number of terms for re-appointment. Instead, Directors due for retirement on the rotation basis are interviewed by the Recruitment Sub-committee under an agreed procedure which remains the same for all Directors. A set series of six questions probing the interviewee's commitment to the charity and its purpose, the time available for the necessary workload, the skills that can be brought to the board and the individual's hopes and aspirations for the charity for the next five years are all discussed in depth and reported back to the board at the AGM when re-appointments are decided. In this way the board can retain committed and energetic Directors regardless of their length of term.

Prior to appointment and re-appointment Directors must sign the Charity Commission's Declaration of Eligibility to serve. At each meeting of the board and the sub-committees, all potential, real and perceived conflicts of interest, loyalty and perception are declared, recorded and discussed. In the event of a conflict or likelihood of a conflict the Director in question is asked to leave the room at the appropriate time or refrains from voting on the matter in question.

There are currently the full twelve permitted Directors under the Articles of Association. The board considers that it has the necessary skills and attributes without actively seeking an additional Director. The internal audit of the board takes place at the AGM in May.

**Directors**

<b>Name</b>	<b>Position</b>	<b>Date Appointed/ Retired</b>	<b>Skills/Experience</b>
Susan E Herniman	Chairman	14 May 2019 Resigned	Retired Teacher and Businesswoman
John A Pulford	Chairman	14 May 2019 Reappointed	Retired Local Government Officer
Brenda Stanley	Director	5 May 2015 Reappointed	Retired Businesswoman
Alison W Maunder	Director	8 May 2018 Reappointed	Retired volunteer Age UK, retired Nurse.
Michael H C Biggin	Director	3 May 2016 Reappointed	Retired Finance Manager

REPORT OF THE CORPORATE TRUSTEE  
FOR THE YEAR ENDED 31 DECEMBER 2019

John N Rendle	Director	8 May 2018 Reappointed	Businessman
Janice A Hutchinson	Director	9 May 2017 Reappointed	Retired Teaching Assistant
David H Hamer	Director	14 May 2019 Reappointed	Retired Chaplain
Robert J Cumes	Director Vice Chairman	3 May 2016 Reappointed	Retired Operations Manager
Victoria Burston	Director	14 May 2019 Appointed	Business person
Susan Hollins	Director	14 May 2019 Appointed	Counsellor

**Nominated Directors appointed by Tiverton Town Council:**

Wallace Burke	Director	14 May 2019 Re-nominated	Town Councillor
Gerald Luxton	Director	14 May 2019 Resigned	Town Councillor
Claudette Harrower	Director	14 May 2019 Nominated	Town Councillor

Office of the Trust

The office of the Tiverton Almshouse Trust is: The Market House, 18 Bampton Street, Tiverton, Devon EX16 6AA.

The staff

Elizabeth Fathi	Chief Executive (Resigned 31 August 2019)
Doreen Woodward	Chief Executive (Appointed 19 August 2019)
Andy Parkins	Property Manager (Appointed 15 July 2019)
Sue Coffin	Accounts/Estates Administration (Resigned 31 March 2020)
Lisa Brooks	House Manager
Helen Evans	Secretary/Receptionist
John Billington	Handyman/Gardener (Resigned 5 August 2019)
Gavin Strong	Handyman/Gardener (Appointed 16 September 2019)
Monica Pike	Cleaner

Resident Wardens

Lin Pearce	Resident Warden, John Greenway Close
Donna Copp	Resident Warden, Greenway Gardens

Advisors to the Trust

Auditors:	Apsleys, 21 Bampton Street, Tiverton, Devon
Bankers:	Unity Trust Bank, 9 Brindleyplace, Birmingham
Solicitors:	Ashfords, Gotham House, Tiverton, Devon
Investment advisors:	Investec Wealth & Investment, Keble House, Southernhay Gardens, Exeter
Commercial surveyors:	Mettam Ware, 15A Fore Street, Tiverton
Property Surveyors:	Assinder Turnham, 6/7 Southernhay West, Exeter

10  
REPORT OF THE CORPORATE TRUSTEE  
FOR THE YEAR ENDED 31 DECEMBER 2019

Structure of the Trustee's Board of Directors

The Board of Directors comprises an elected Chairman and Vice-chairman who are voted a year of office at the Annual General Meeting held every May. The Board of Directors meets quarterly each year at the Trust's offices.

In addition, there are four sub-committees:

1. Property & Finance which meets every six weeks
2. Pastoral (an executive committee) which meets every six weeks
3. Policy which meets as necessary and not less than twice per year (in practice every two months)
4. Recruitment which meets between November and May each year prior to the retirement by rotation at the AGM and as necessary when a director vacancy arises.

Board meetings are held four times each year with an AGM in May. No business may be transacted at a board meeting unless four Directors are present as a quorum.

Following the incorporation, Directors approved a governance policy covering the way business is transacted within the sub-committees and within the main board in line with the Articles of Association. The governance policy was revised in 2018.

Director Vacancies

Vacancies for nominated Directors are filled by Tiverton Town Council held in accordance with the ordinary practice of the Town Council. They elect two councillors as their representatives on the Trust's Board and the term is for four years.

The Articles allow for retirement by rotation meaning that at each Annual General Meeting one-fifth of the elected Directors retire from office. Retiring Directors can re-apply for another term and will be asked to meet with the Recruitment Sub-Committee prior to the AGM to discuss their application (see above and below). The approved policy for recruiting new Directors is to advertise following a skills audit of the board and includes provisions for appointment, declarations and managing conflicts of interest/loyalty.

Once appointed, the new Director is encouraged to visit all the almshouse sites (if they have not already done so) accompanied by the House Manager or a member of the office staff. In addition, the new Director is invited to sit as an observer on all sub-committee meetings for a period of at least six months to enable them to become familiar with workings of the Trust and the day-to-day issues. After the six month induction the new Director is encouraged to participate within one or more sub-committees when appointments are made at the AGM.

Appointment and Training of staff

Members of staff are appointed in accordance with the approved policy. Remuneration of all staff is reviewed on an annual basis in April by Directors and increases are based upon a comparison with public sector and private sector pay settlements. When available more specific comparisons are made with other almshouse charities of the same size and operation.

A rolling programme of training is operated including fire procedures, health and safety risk assessments, food hygiene, first-aid, working at height, safeguarding, lone-working, mental health awareness and data protection. The Almshouse Association provides the most relevant and practical forum for Directors and staff training.

Applying the Charities Code of Governance 2017

The Corporate Trustee has considered, in detail, the best practice guidelines within the Code. There is an obligation upon charities to apply the Code or explain why they have not. Whilst the overwhelming majority of markers have been met there are some which are in the process of being implemented (benchmarking).

Some guidelines are not applied for good reason. Contracts with local sub-contractors undertaking small-scale routine maintenance work are kept as verbal contracts in the interest of speed, efficiency and experience of comparative costs.

REPORT OF THE CORPORATE TRUSTEE  
FOR THE YEAR ENDED 31 DECEMBER 2019

Regarding trustee appointments, the Corporate Trustee considers that a restriction on length of term would not be in the best interest of the organisation for the following reasons:

- i. There is a robust written procedure on trustee appointments that takes a pragmatic view of the size of Tiverton and the availability of volunteer Directors.
- ii. Each Director has a peer review at the end of their term with set questions relating to the skills, time and level of commitment they can give to the Trust. Responses are considered by the Recruitment Sub-Committee (which consists of different members each year) and a recommendation is made to the Board at the AGM.
- iii. Past experience has shown that professionals appointed as Directors can lead to conflicts of interest and loyalty given the size of the town.
- iv. Consistency and local knowledge are highly valued by Directors.
- v. Directors consider that it is not the length of term but the added value and input a Director can give to the Trust that is important.
- vi. In the event of a vacancy, Directors would be willing to be flexible and adapt current meeting arrangements in order to ensure a diverse board.

Applying the Value for Money Standard 2018

Tiverton Almshouse Trust is a registered social provider and, as such, must annually publish evidence within these statutory accounts to enable stakeholders to understand our performance as compared with the metrics set out by the regulator, compare those to our peer group and address any areas of underperformance.

Tiverton Almshouse Trust joined Acuity Benchmarking Group for small social housing providers and submitted figures for the financial year end (April 2019). This enables us to compare our service to almshouse residents and our costs with other almshouses and small housing associations as well as those small scale providers who accommodate older people only. Results were published in June 2019. Contrast can also be made against the Trust figures for the previous year and the specimen budget figures provided by The Almshouse Association.

The standard refers to activities across the board and includes activities relating to the Trust's investment properties where relevant.

There are seven metrics within the standard:

1. Reinvestment (the scale of investment into existing housing, acquisition or development of new housing in relation to the size of the asset base). This metric looks at the investment in properties as a percentage of the value of total properties held. The Trust did not acquire or develop any new housing in 2019 and currently operates 82 social housing units. The measure for The Trust in 2018 was 3.3% in 2019 it is 5.91%. In both years the expenditure on existing properties has been a combination of programmed refurbishments of bathrooms to shower rooms and a rolling programme replacing boilers. The section on Maintenance of Almshouses contains further detail.
2. New supply delivered (units acquired or developed in the year as a proportion of existing housing stock). Given there were no additional units acquired the measure is zero.
3. Gearing (Proportion of borrowing in relation to the size of the asset base). The Trust's borrowing relates to a mortgage taken out when the 2004 new development of 32 houses was built. The loan is valued at £643,035 at 31 December 2019 representing a gearing of 15.92% (2018: 16.89%). The board is not proposing to take on any further loans in 2020 and reviews annually the financial benefits of paying off part of the mortgage that is unfixed versus the interest and return on investments.
4. Earnings before interest, tax, depreciation and amortisation major repairs included (Indicates liquidity and investment capacity). The EBITDA MRI interest cover seeks to measure the level of surplus that is generated compare to interest payable, the Trust's measure is 1.78% (2018: 7.19%). This year there has been some significant repairs and additional administration costs. As discussed above.

REPORT OF THE CORPORATE TRUSTEE  
FOR THE YEAR ENDED 31 DECEMBER 2019

5. Social housing cost per unit The Trust's social housing cost per unit for 2019 was £2,690 (2018: £2,319), the applicable costs relate to repairs and maintenance.
6. A Operating Margin % (Social Housing Lettings Only) demonstrates the profitability of operating assets before exceptional expenses are taken into account. In calculating this only operating costs directly attributable to social housing costs have been included, the margin for the Trust for 2019 was 20% (2018: 39%).  
  
B Operating Margin % (Overall) as above however including all operating costs against social housing income and rents receivable from investment properties the margin for the Trust for 2019 was 7% (2018: 5%).
7. Return on capital employed % (ROCE) the metric compares the operating surplus to total assets less current liabilities, the Trust's ROCE for 2018 and 2019 was 1%.

Managing Risk

The Corporate Trustee regularly reviews the potential risks to the Association and aims to take a balanced and proportionate view. Professional advice is taken where necessary and regularly. Where decisions are taken to commit significant financial resource, the financial return is considered along with the social investment return and the furtherance of the charitable objectives.

Nevertheless, the Corporate Trustee is acutely aware of the potential risks facing the Trust and a rigorous system of checks and balances is in place and reviewed regularly. A risk register serves to prioritise governance, operational, compliance and external factors that pose the greatest concern and a management plan is enforced to reduce exposure. Greatest risks can be grouped according residual risk priority and summarised as follows in order of concern:

- i. Regulatory and Statutory
  - a. Changes in government policy leading to reduced income, increased regulation and therefore increased expense and staff time.
  - b. Maximising the positive impact upon beneficiaries but ensuring this is within the parameters of the Charity's objects.
  - c. Governance matters that arise from a small staff team (such as dependence on key staff). Loss of knowledge and experience is considered one of the highest risks to the charity. Measures are being considered for mitigating the potential impact.
  - d. Recognising the potential for conflicting interests and loyalties given the Directors within the Corporate Trustee are local lay people with numerous local connections and local businesses.
  - e. Reducing the possibility of unknown changes in legislation and regulation (sometimes originating in indirect departments).
- ii. Specific Risk Mitigation measures relevant to the Financial Statement:
  - a. Fraud: Day-to-day administration procedures are undertaken to reduce the risk of fraud and certain functions (such as Payroll) are outsourced. An external financial review was undertaken in 2019 as good practice and also a new Fraud Policy and Fraud Response plan was implemented to the robust list of policies and procedures already in place.
  - b. Loss of Income (Property): Measures are taken to minimise almshouse voids (see report above) by advertising and maintaining close working relationships with local organisations and the local authority. Commercial rent levels have dropped considerably in recent years due to the uncertain economic climate preceded by a recession but staff strive to ensure good working relationships with commercial tenants, keep the properties in good working order and keep close monitoring of rental payments to minimise the risk of arrears and to maintain continuity of tenants.

REPORT OF THE CORPORATE TRUSTEE  
FOR THE YEAR ENDED 31 DECEMBER 2019

- c. **Loss of Income (other assets):** An annual investment review is held every November and monitored every six weeks by the Property & Finance Sub-committee. An approved Investment Policy is reviewed every three years. Discretionary power has been given to the Trust's brokers who manage the largest portfolio, other investment providers are managed funds or deposit accounts. The Corporate Trustee aims for a wide variety of deposit accounts balancing long term and short term investments and, as far as reasonably possible, invests no more than the maximum cover provided by the Financial Services Compensation Scheme.
- d. **Unforeseen Property Repair Costs.** Quinquennial surveys are commissioned and the results incorporated into a rolling programme of maintenance within the budget forecast. Unforeseen works are therefore restricted to extraordinary events (such as flooding as a result of a leak) and usually covered by insurance. Routine maintenance is seen as a core activity.

The Chief Executive is responsible for the day to day management of health and safety matters and Directors are also aware of their statutory duties under legislation through regular sub-committees. Risk assessments are carried out annually by the Property Manager/Chief Executive and regularly updated throughout the year in a working file. Fire risk assessments are carried out annually by the Property Manager/Chief Executive and every three years professionally.

A comprehensive list of policies and procedures is reviewed on an annual or three-year rolling programme or as a result of changing legislation or best practice guideline, whichever is the soonest. Regular staff meetings ensure that new procedures are implemented.

Meetings with residents are held every six months where matters of health and safety are discussed and reinforced, including the procedure in the event of a fire. A fire drill was held annually.

Residents are encouraged to ask questions and provide feedback and once a year, the Chief Executive meets with all residents to discuss the next year's draft annual plan, as well as the results from the resident's satisfaction survey. Staff meetings for office employees, including line managers, take place weekly.

Directors and staff remain vigilant on matters of risk and continue to seek advice and updates from legal bodies, the Charity Commission, the Homes & Communities Agency and the National Almshouse Association.

Impacts of COVID-19

The Trust is carefully assessing any impacts from the government lockdown, the full extent is not yet known, as of May 2020, most of our commercial tenants have continued to pay their rents and we will not know more till later on in the year about the level of reductions on returns from our investments.

REPORT OF THE CORPORATE TRUSTEE  
FOR THE YEAR ENDED 31 DECEMBER 2019

**STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS**

The corporate trustee of the charity which held office at the date of approval of these Financial Statements as set out above, confirms, so far as it is aware, that:

- there is no relevant audit information of which the charity's auditors are unaware; and
- it has taken all the steps that it ought to have taken as corporate trustee in order to make itself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved at a meeting of the corporate trustee held on.....12<sup>th</sup> May 2020.....

Signed on its behalf by

: .....  
Mr J Pulford – Director (Chairman)

.....  
Mr R Cumes – Director (Vice-chair)

.....  
Mrs D Woodward – Chief Executive

15  
TIVERTON ALMSHOUSE TRUST  
STATEMENT ON INTERNAL CONTROL SYSTEMS  
YEAR ENDED 31 DECEMBER 2019

The corporate trustee is responsible for maintaining a sound system of internal control which:

- focuses on the significant risks that threaten the organisation's ability to meet its objectives; and
- provides reasonable assurance of the safeguarding of assets.

The corporate trustee is also responsible for reviewing the effectiveness of the system of internal control.

The internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the charity is ongoing. This process has been in place for the year ended 31 December 2019 and up to the date of approval of the corporate trustee's report and financial statements and is regularly reviewed by the corporate trustee.

Experienced and suitably qualified staff take responsibility for important business functions. Appraisal procedures have been established to maintain the standards of performance.

All significant new initiatives, major investments and investment projects are subject to formal authorisation procedures, through the Property and Finance Sub Committee and/or the board.

The Property and Finance Sub Committee reviews reports from senior staff and the Treasurer on behalf of the Board and from the external Auditors to provide assurance that control procedures are in place and are being followed. The Property and Finance Sub Committee informs the Board in this regard on a regular basis.

Procedures have been established for instituting appropriate action to correct weaknesses identified from the above report.



TIVERTON ALMSHOUSE TRUST  
CORPORATE TRUSTEES' RESPONSIBILITIES STATEMENT  
YEAR ENDED 31 DECEMBER 2019

The Charities Act 2011 and registered social housing legislation require the corporate trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its income and expenditure for that period.

In preparing these financial statements, the corporate trustee is required to:

- select suitable accounting policies and then apply them consistently;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The corporate trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. The corporate trustee has general responsibility for taking reasonable steps to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATE TRUSTEE OF TIVERTON  
ALMSHOUSE TRUST

## **Opinion**

We have audited the financial statements of Tiverton Almshouse Trust for the year ended 31 December 2019 which comprise the Statement of comprehensive income (including income and expenditure account), Statement of financial position, Statement of changes in equity and reserves, 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 31 December 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

## **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 corporate trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the corporate trustee has 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 corporate trustee is responsible for the other information. The other information comprises the information included in the report of the corporate trustee, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE CORPORATE TRUSTEE OF TIVERTON  
ALMSHOUSE TRUST (CONTINUED)**

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 requires us to report to you if, in our opinion:

- the information given in the corporate trustee's 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; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

**Responsibilities of corporate trustee**

As explained more fully in the Corporate Trustee's Responsibilities Statement (set out on page 16), the corporate trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporate trustee 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 corporate trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the corporate trustee either intends to liquidate the charity or to cease operations, or has 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 144 of the Charities Act 2011 and section 136 of the Housing and Regeneration Act 2008 and report in accordance with regulations made under section 154 of the Charities Act 2011 and section 137 of the Housing and Regeneration Act 2008.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATE TRUSTEE OF TIVERTON  
ALMSHOUSE TRUST (CONTINUED)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the corporate trustee.
- Conclude on the appropriateness of the corporate trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

#### **Use of our report**

This report is made solely to the Charity's corporate trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Charity's corporate trustee those matters we are required to state to the corporate trustee 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's corporate trustee as a body, for our audit work, for this report, or for the opinions we have formed.

*Apsleys*

Apsleys  
Chartered Accountants &  
Statutory Auditor

21 Bampton Street  
Tiverton  
Devon EX16 6AA

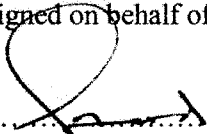
Date: 19/5/2020

*Apsleys is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.*

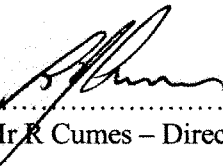
20  
**TIVERTON ALMSHOUSE TRUST**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**  
**YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	Restated 2018 £
<b>Turnover</b>	2	501885	501048
Less: Operating costs	4	656990	499670
<b>Operating deficit</b>	5	(155105)	1378
Income from fixed asset investments		68239	65397
Interest receivable and similar income	9	254173	59658
Interest payable and similar charges	10	(14506)	(16221)
<b>Surplus on ordinary activities for the year before tax</b>		152801	110212
Tax on surplus on ordinary activities		-	-
<b>Surplus for the year after tax</b>		152801	110212
Revaluation of tangible fixed assets		55000	102500
Profit on disposal of tangible fixed assets		-	-
Revaluation of investments		316219	(193237)
<b>Total comprehensive income for the year</b>		524020	19475

Signed on behalf of the corporate trustee on 12th May 2020



Mr J Pulford – Director (Chairman)



Mr R Cumes – Director (Vice-chair)

The annexed notes form part of these financial statements.

21  
**TIVERTON ALMSHOUSE TRUST**  
**STATEMENT OF FINANCIAL POSITION**  
**YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
<b>Fixed assets</b>			
Housing properties at valuation	11	4040000	3985000
Investment properties	12	2877500	2877500
Other fixed assets	13	76503	76949
Investments	14	3250522	2761259
		<u>10244525</u>	<u>9700708</u>
<b>Current assets</b>			
Debtors	15	31024	26790
Cash at bank and in hand		<u>1275981</u>	<u>1324456</u>
		1307005	1351246
<b>Creditors: amounts falling due within one year</b>	16	<u>116242</u>	<u>110759</u>
<b>Net current assets</b>		1190763	1240487
<b>Total assets less current liabilities</b>		<u>11435288</u>	<u>10941195</u>
<b>Creditors: amounts falling due after more than one year</b>	17	613035	642962
		<u>10822253</u>	<u>10298233</u>
<b>Capital and reserves</b>			
Permanent endowment	20	8529000	8253104
Expendable endowment	20	865209	712899
Restricted reserves	20	-	-
Income and Expenditure reserves	19	1428044	1332230
		<u>10822253</u>	<u>10298233</u>

These financial statements were approved and authorised for issue by the corporate trustee on

12<sup>th</sup> May 2020

and signed on its behalf by:

.....  
Mr J Pulford - Director

.....  
Mr R Cumes - Director

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST  
STATEMENT OF CHANGES IN EQUITY AND RESERVES  
YEAR ENDED 31 DECEMBER 2019

	Permanent Endowment £	Expendable endowment £	Restricted reserves £	Other Reserves £	Total £	2018 £
At 31 December 2018	8253104	712899	-	1332230	10298233	10278758
Surplus for year				152801	152801	110212
Profit on disposal of tangible fixed assets						-
Revaluation of tangible fixed assets	55000				55000	102500
Revaluation of investments	165971	36207		114041	316219	(193237)
Total comprehensive income	220971	36207	-	266842	524020	19475
Transfers	54925	116103	-	(171028)	-	-
At 31 December 2019	8529000	865209	-	1428044	10822253	10298233

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST  
STATEMENT OF CASH FLOWS  
YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
<b>Net cash flow from operating activities</b>	26	<b>(359772)</b>	<b>(276037)</b>
<b>Cash flow from investing activities</b>			
Rents received from investment properties		254903	264049
Payments to acquire tangible fixed assets		(2254)	-
Receipts from sales of tangible fixed assets		-	-
Payments to acquire investments		-	-
Proceeds from sale of investments		929612	34453
Purchase of investments		(665694)	(100548)
Interest received		26039	23453
Dividends received		68239	65397
<b>Net cash flow from investing activities</b>		<b>610845</b>	<b>286804</b>
<b>Cash flow from financing activities</b>			
Repayment of long term loans		(44434)	(44134)
<b>Net cash flow from financing activities</b>		<b>(44434)</b>	<b>(44134)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>206639</b>	<b>(33367)</b>
<b>Cash and cash equivalents as at 1 January 2019</b>		<b>1354473</b>	<b>1387840</b>
<b>Cash and cash equivalents as at 31 December 2019</b>		<b>1561112</b>	<b>1354473</b>
<b>Cash and cash equivalents consist of:</b>			
Cash at bank and in hand		1275981	1324456
Cash held as part of investment portfolio		285131	30017
		<u>1561112</u>	<u>1354473</u>

The annexed notes form part of these financial statements.



## **1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **General information and basis of preparation**

Tiverton Almshouse Trust is incorporated under the Charities Act 2011 and is a Registered Provider of Social Housing in the United Kingdom.

Tiverton Almshouse Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2019, and the Charities Act 2011.

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 Tiverton Almshouse Trust and rounded to the nearest £.

The registered office is disclosed in the Report of the Corporate Trustee.

### **Housing properties**

Housing properties are principally properties available to beneficiaries of the trust in return for weekly maintenance contributions.

Housing properties are included at valuation, the valuation basis being the existing use value for social housing. Professional valuations are undertaken on a 5 year rolling cycle.

Housing properties are reviewed for impairment at the end of each reporting period

### **Investment Properties**

Investment properties are principally properties available to tenants of the trust in return for a commercial rent.

Investment properties are included at valuation, representing fair value and at each reporting date any changes in fair value are recognised in the statement of comprehensive income. Professional valuations are undertaken on a 5 year rolling cycle.

Investment properties are reviewed for impairment at the end of each reporting period

TIVERTON ALMSHOUSE TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED 31 DECEMBER 2019

**Fixed assets and Depreciation**

Other fixed assets are stated at cost, less accumulated depreciation. Depreciation is charged on a straight line basis at rates anticipated to write off the cost of the asset, at the following annual rates:

Freehold Property	Nil
Computer Equipment	33.33%

**Investments**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently they are measured at fair value through the statement of comprehensive income.

**Debtors and creditors receivable/payable within one year**

Debtors and creditors payable within one year are recorded at transaction price.

**Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs and then subsequently adjusted for principal repayments and interest charged.

**Revaluation surpluses and deficits**

Where market value is not readily available, the Corporate trustee estimates market value. Revaluations of investments are reported in the Statement of Comprehensive Income.

**Leased Assets**

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the period of the lease.

**Government grants**

A social housing grant was received back in 2004 as a contribution towards the capital cost. The grant was previously deducted from the cost of the housing properties. However as the housing properties are accounted for using the valuation model, grants should now be accounted for using the performance model which means that grants are recognised as income once the performance conditions have been met. This change has not altered the overall value of reserves.

**Current Taxation**

No taxation is payable by the charity, since it has charitable status and its activities are exempt from tax.

**Value Added Tax**

Irrecoverable VAT which can be attributed to capital items or revenue expenditure is added to the cost of the capital item or expenses where practicable and material.

**Pension Costs**

The charity operates a defined contribution scheme for the benefit of its employees. The costs of contributions are written off through the income and expenditure account in the year they are payable.

**Dilapidations**

Monies receivable in respect of dilapidations are generally not accounted for until they can be determined with reasonable accuracy.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable.

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids

**TIVERTON ALMSHOUSE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2019**

**Interest and dividends receivable**

Interest and dividend income is recognised as Tiverton Almshouse Trust's right to receive payment is established.

**Key judgements and estimates**

The following judgements and estimates have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

The corporate trustee has established a five year cycle for properties to be valued by an external RICS qualified surveyor. In the intervening years the remaining properties are valued by the corporate trustee having regard to the all risks yield, the strength of the market and comparison with similar properties.

**Reclassification of comparative operating costs**

Comparatives in respect of operating costs have been restated for transparency reasons in light of the Value for Money Standard.

**2 SOCIAL HOUSING TURNOVER**

	2019	2018
	£	£
Rents receivable excluding service charges	408916	403175
Service charges receivable	100016	101244
Rent and service charge losses from voids	(9662)	(5751)
Guest room income	2615	2380
	<u>501885</u>	<u>501048</u>

**3 UNITS IN MANAGEMENT**

	2019	2018
Social housing for older people	82	83
Warden accommodation	4	3
	<u>86</u>	<u>86</u>

**TIVERTON ALMSHOUSE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2019**

**4 OPERATING COSTS**

	Support costs £	Social housing £	Investment Properties £	Total 2019 £	Restated Total 2018 £
Estate management costs:					
Wages and salaries	-	54215	1818	56033	57713
Estate costs					
Repairs and maintenance	-	238598	22248	260846	301302
Professional fees	-	10497	-	10497	6980
Utilities	-	166182	1298	167480	112125
Insurance	-	9872	2985	12857	12969
Sundry expenses	-	3350	1818	5168	4846
Bad debt	-	-	1251	1251	-
Administrative costs					
Wages and salaries	149517	14512	-	164029	138237
Staff recruitment costs	15575	-	-	15575	-
Office running costs	31559	-	-	31559	28534
Accountancy and audit fees	14615	-	-	14615	12177
Professional fees	5507	-	31179	36686	28788
PI insurance	578	-	-	578	607
Subscriptions	2340	-	-	2340	3008
Bank charges	862	-	-	862	800
Donations	10000	-	-	10000	10000
Depreciation	2700	-	-	2700	1948
Investment management fees	8813	-	-	8813	8253
	<u>242066</u>	<u>497226</u>	<u>62597</u>	<u>801889</u>	<u>728287</u>
Apportionment	<u>(242066)</u>	<u>159764</u>	<u>82302</u>	<u>-</u>	<u>(228617)</u>
	<u>-</u>	<u>656990</u>	<u>144899</u>	<u>801889</u>	<u>499670</u>

**5 OPERATING DEFICIT**

	2019 £	2018 £
Operating deficit is stated after charging:		
Operating leases - other assets	<u>847</u>	<u>740</u>

**6 AUDITORS' REMUNERATION**

	2019 £	2018 £
Audit services	6000	6000
Non audit services	8615	6177
	<u>14615</u>	<u>12177</u>

**TIVERTON ALMSHOUSE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2019**

**7 BOARD OF DIRECTORS OF THE CORPORATE TRUSTEE AND KEY MANAGEMENT PERSONNEL REMUNERATION**

	2019 £	2018 £
The aggregate emoluments payable to key management personnel	68600	67044

During the year there was a change in chief executive, the first was included in the charity's defined contribution pension scheme and was an ordinary member of the scheme. With no enhanced or special terms applied. During the period the total amount contributed to the individual pension arrangement was £2045 (2018 £2701).

The new chief executive is not a member of the charity's defined contribution pension scheme. However the charity makes contributions to their personal pension plan. During the period the total amount contributed to the personal pension was £1841 (2018 £nil).

During the year no mileage was paid to the chief executive (2018: £149).

The Board of Directors of the corporate trustee received no expenses or remuneration in the year.

**8 EMPLOYEE INFORMATION**

	2019	2018
The average number of persons employed during the year expressed in full time equivalents (16 hours or more per week) was:		
Office staff	5	4
Wardens, cleaners and handyman	4	4
	<u>9</u>	<u>8</u>
	£	£
Staff costs (for the above persons)		
Wages and salaries	195602	175988
Social Security costs	13859	11937
Other pension costs	10601	8025
	<u>220062</u>	<u>195950</u>

During the year one employee earned between £60000 and £70000 (2018: One employee).

**9 INTEREST RECEIVABLE AND SIMILAR INCOME**

	2019 £	Restated 2018 £
Rents receivable from investment properties	254903	264049
Expenditure on investment properties (Note 4)	(144899)	(228617)
Surplus / (deficit) from investment properties	110004	35432
Interest received	26039	23453
Realised gain on the disposal of investments	118109	-
Miscellaneous income	21	773
	<u>254173</u>	<u>59658</u>

29  
**TIVERTON ALMSHOUSE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2019**

**10 INTEREST PAYABLE AND SIMILAR CHARGES**

	2019	2018
	£	£
Mortgage interest	14506	14592
Realised loss on the disposal of investments	-	1629
	<u>14506</u>	<u>16221</u>

**11 TANGIBLE FIXED ASSETS - HOUSING PROPERTIES**

	Housing Properties for letting	Total
	£	£
<b>VALUATION</b>		
At 31 December 2018	3985000	3985000
Revaluation	55000	50000
At 31 December 2019	<u>4040000</u>	<u>4040000</u>
<b>NET BOOK VALUE</b>		
At 31 December 2019	<u>4040000</u>	<u>4040000</u>
At 31 December 2018	<u>3985000</u>	<u>3985000</u>

Housing properties comprise freehold land and buildings.

The corporate trustee has established a five year cycle for housing properties to be valued by an external RICS qualified surveyor.

The freehold interest in Greenway Gardens and Slees, Tiverton were valued as at 31 December 2019 by an external valuer, Tim Ware, BSc (Hons) FRICS of Mettam Ware, Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards, SORP and FRS102.

The remaining housing properties were valued by the corporate trustee on the basis of existing use value for social housing as at 31 December 2019.

Cost or valuation is represented by:

	2019	2018
	£	£
Historical cost	4288895	4288895
Revaluation	<u>(248895)</u>	<u>(303895)</u>
	<u>4040000</u>	<u>3985000</u>

Revaluation:

	2019	2018
	£	£
Balance as at 31 December 2018	(303895)	(353895)
Revaluation	55000	50000
Balance as at 31 December 2019	<u>(248895)</u>	<u>(303895)</u>

30  
**TIVERTON ALMSHOUSE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2019**

Expenditure on works to existing properties:

	2019	Restated 2018
	£	£
Amounts charged to income and expenditure account	<u>238598</u>	<u>173460</u>

**12 TANGIBLE FIXED ASSETS – INVESTMENT PROPERTIES**

	Investment properties	Total
	£	£
<b>VALUATION</b>		
At 31 December 2018	2877500	2877500
Revaluation	-	-
At 31 December 2019	<u>2877500</u>	<u>2877500</u>
<b>NET BOOK VALUE</b>		
At 31 December 2019	<u>2877500</u>	<u>2877500</u>
At 31 December 2018	<u>2877500</u>	<u>2877500</u>

The corporate trustee has established a five year cycle for investment properties to be valued by an external RICS qualified surveyor.

The freehold interest in Raymond Penny House, Tiverton were valued as at 31 December 2019 by an external valuer, Tim Ware, BSc (Hons) FRICS of Mettam Ware, Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards, SORP and FRS102.

The Trust occupies office accommodation within The Market House for the purpose of its operations, the value the external valuer provided for these offices have been transferred to Freehold Property as at 31 December 2018.

The basis of value was Fair Value.

The remaining investment properties held were valued by the corporate trustee on the basis of fair value as at 31 December 2019.

Valuation is represented by:

	2019	2018
	£	£
Historical cost	296927	296927
Revaluation	<u>2580573</u>	<u>2580573</u>
	<u>2877500</u>	<u>2877500</u>

Revaluation:

	2019	2018
	£	£
Balance as at 31 December 2018	2580573	2592050
Revaluation on transfer	-	(63977)
Revaluation	-	52500
Balance as at 31 December 2019	<u>2580573</u>	<u>2580573</u>

**TIVERTON ALMSHOUSE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2019**

**13 OTHER TANGIBLE FIXED ASSETS**

	Freehold Property	Computer Equipment	Total
	£	£	£
<b>COST:</b>			
At 31 December 2018	75000	6639	81639
Additions	-	2254	2254
Disposals	-	-	-
At 31 December 2019	75000	8893	83893
<b>DEPRECIATION:</b>			
At 31 December 2018	-	4690	4690
Depreciation on disposal	-	-	-
Charge for the year	-	2700	2700
At 31 December 2019	-	7390	7390
<b>NET BOOK VALUE</b>			
At 31 December 2019	75000	1503	76503
At 31 December 2018	75000	1949	76949

**14 INVESTMENTS HELD AS FIXED ASSETS**

(Financial assets measured at fair value through the surplus/(deficit))

	2019 £	2018 £
<b>MARKET VALUE OF LISTED INVESTMENTS</b>		
At 31 December 2018	2761259	2805067
Additions	665694	100548
Income reinvested	63739	61693
Disposal proceeds	(929612)	(34453)
Realised gains/(losses)	118109	(1629)
Unrealised gains/(losses)	316219	(193237)
At 31 December 2019	2995408	2737989
Cash held as part of investment portfolio (movement)	255114	23270
	3250522	2761259
Historical cost	2587000	2263032



32  
**TIVERTON ALMSHOUSE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2019**

**15 DEBTORS – ALL RECEIVABLE WITHIN ONE YEAR**

	2019 £	2018 £
Trade debtors		
Social housing rent arrears	956	-
Other	3125	2125
	4081	2125
Prepayments and accrued income	22154	18818
Other debtors	4789	5847
	<u>31024</u>	<u>26790</u>

**16 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £	2018 £
Mortgages	30000	30000
Rents paid in advance	30071	37126
Other creditors and accruals	56171	43633
	<u>116242</u>	<u>110759</u>

**17 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2019 £	2018 £
Mortgages	<u>613035</u>	<u>642962</u>

**18 MORTGAGES**

(Financial liabilities measured at fair value through the surplus/(deficit)).

Analysis of maturity of debt:	2019 £	2018 £
Less than one year or on demand	30000	30000
Between one and two years	30000	30000
Between two and five years	120000	120000
After five years	463035	492962
	<u>643035</u>	<u>672962</u>

The mortgages mature in July 2037.

Capital is repayable in monthly instalments which commenced in August 2004. Interest is charged at 2.95% and LIBOR +0.65%.

The mortgages are secured on certain freehold housing and investment properties.

33  
**TIVERTON ALMSHOUSE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2019**

**19 INCOME AND EXPENDITURE RESERVES**

	2018	Surplus for year	Revaluation	Transferred	Utilised	2019
	£	£		£	£	£
Programme of works fund	20814			157812	(157812)	20814
Extraordinary repair fund	36582			-	-	36582
Cyclical maintenance fund	94631			61228	(59312)	96547
Routine works	-			46076	(40868)	5208
Other	1180203	152801	114041	(436144)	257992	1268893
	<u>1332230</u>	<u>152801</u>	<u>114041</u>	<u>(171028)</u>	<u>-</u>	<u>1428044</u>

Tiverton Almshouse Trust has established a regular programme of works.

Part of other reserves has been earmarked by the corporate trustee for a particular purpose. Such designations may be reversed by future Trustee decisions.

Expenditure is taken through the income and expenditure account. A transfer is then made as appropriate.

**20 CAPITAL AND RESERVES**

**Permanent endowment**

These reserves represent the current value of the Housing and Investment Properties together with the current value of any other investments that were held at the date of the merger and cash deposited with Standard Life on behalf of Alexandra Lodge Trust as at the date of the merger.

**Expendable endowment**

These reserves represent the current value of any investments purchased since the merger.

**Restricted Reserves**

Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder. Expenditure cannot be directly set against restricted reserves but is taken through the income and expenditure account. A transfer from restricted reserves is then made as appropriate.

**TIVERTON ALMSHOUSE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2019**

**21 CAPITAL COMMITMENTS**

	2019 £	2018 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	232245	-
Capital expenditure that has been authorised by the corporate trustee but has not yet been contracted for	-	-
	<u>232245</u>	<u>-</u>

The Trust, have made a dilapidation claim for a proportion of these expenses, however at the year end this has not been resolved.

**22 LEASING COMMITMENTS**

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 £	2018 £
Not later than one year	4986	5103
Later than one and not later than five years	5313	-
Later than five years	-	-
	<u>10299</u>	<u>5103</u>

**23 PENSION COSTS**

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £10601 (2018 - £8025).

**24 RELATED PARTY TRANSACTIONS**

As at the 31 December 2019 2 directors of Tiverton Almshouse Trustee Limited were councillors / employees of related Local Authorities.

The husband of one of the directors of Tiverton Almshouse Trustee Limited is a councillor/employee of related Local Authorities and a tenant of Raymond Penny House.

Any transactions with the Local Authorities were at arms length on normal commercial terms and these individuals were not able to use their position to their commercial advantage.

**25 CONTROL**

The ultimate controlling party is the board of directors of Tiverton Almshouse Trustee Limited.

35  
**TIVERTON ALMSHOUSE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2019**

**26 RECONCILIATION OF OPERATING SURPLUS / (DEFICIT) TO CASH FLOW FROM OPERATING ACTIVITIES**

	2019 £	2018 £
<b>Surplus / (deficit) for the year</b>	<b>524020</b>	<b>19475</b>
Rents received from investment properties	(254903)	(264049)
Mortgage interest paid	14506	14592
Interest received	(26039)	(23453)
Dividends received	(68239)	(65397)
Depreciation and impairment of tangible fixed assets	2700	1948
Realised (gain) / loss on disposal of investments	(118109)	1629
Unrealised (gains) / loss on investments	(316219)	193237
Income reinvested	(63739)	(61693)
Proceeds of sale of tangible fixed assets	-	-
Carrying amount of tangible fixed asset disposals	-	-
Revaluation on tangible fixed assets	(55000)	(102500)
(Increase) / decrease in trade and other debtors	(4233)	239
Increase / (decrease) in trade and other creditors	5483	9935
<b>Net cash flow from operating activities</b>	<b><u>(359772)</u></b>	<b><u>(276037)</u></b>

**26A ANALYSIS OF CHANGES IN NET DEBT**

	2018 £	Cashflows £	Non-cash changes	2019
Long-term borrowings	642962	-	(29927)	613035
Short-term borrowings	110759	(24444)	29927	116242
Total liabilities	<u>753721</u>	<u>(24444)</u>	<u>-</u>	<u>729277</u>
Cash and cash equivalents	<u>(1354473)</u>	<u>(206639)</u>	<u>-</u>	<u>(1561112)</u>
<b>Total</b>	<b><u>(600752)</u></b>	<b><u>(231083)</u></b>	<b><u>-</u></b>	<b><u>(831835)</u></b>