

**The Society of Merchant Venturers'
Almshouses Charity**

**Annual report and financial statements
for the year ended 31 December 2019**

The Society of Merchant Venturers' Almshouses Charity

Annual report and financial statements for the year ended 31 December 2019

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The Society of Merchant Venturers' Almshouses Charity

Report of the Trustee for the year ended 31 December 2019

The Trustee presents its annual report and the audited financial statements for the year ended 31 December 2019.

These financial statements have been prepared in accordance with the Trust deed, the Statement of Recommended Practice "Accounting by Registered Social Landlords" (updated 2014) and the Accounting Direction For Private Registered Providers of Social Housing 2015 and FRS 102.

Trustee, officers and advisers

The Trustee of the Charity is SMV Trustee Company Limited.

Listed below are those members who have served on the Board of SMV Trustee Company Limited during the year:

Mr J R Ancell	
Mrs G E Camm DL	
Mr D M Freed	
Mr A E Kenny	
Mr C A Griffiths	
Mr C McAlpine	
Mr T S Ross	(Retired 10 November 2019)
Mr S R Parsons MBE DL	(Retired 10 November 2019)
Mr J M M Baker	(Retired 10 November 2019)
Mr A D Garrad CBE	
Mrs L P Marshall	
Mr P Despard	
Mr H L M Bothamley	
Mr J Watson	
Ms A G Bragg	
Mr A Lewis	(Appointed 10 November 2019)
Mr R H G Bourns DL	(Appointed 10 November 2019)
Mr M Saddiq	(Appointed 10 November 2019)

Independent Directors

Mr A R E Brown
Mr C H Green CBE

Registered address of the Charity

Merchants' Hall
The Promenade
Clifton
Bristol
BS8 3NH

Charity Number: 202152

Housing Association Number: A3603

The Society of Merchant Venturers' Almshouses Charity

Report of the Trustee for the year ended 31 December 2019 (continued)

Names and addresses of other relevant organisations

Auditor

KPMG LLP, 66 Queen Square, Bristol, BS1 4BE

Bankers

NatWest Bank plc, 32 Corn Street, Bristol, BS99 7UG

Solicitors

Mr R N F Drewett DL, Womble Bond Dickinson (UK) LLP, 3 Temple Quay, Temple Back East, Bristol, BS1 6DZ

Investment Managers

Smith & Williamson Investment Management LLP, Portwall Place, Portwall Lane, Bristol, BS1 6NA
(via the Merchant Venturers' Charities Investment Pool (MVCIP), Charity Number 1053459)

COIF Charity Funds, CCLA Investment Management Ltd, 80 Cheapside, London, EC2V 6DZ

Reference and administrative information

The Almshouses Charity is a Registered Social Landlord (Homes & Community Agency number A3603) and a charity registered with the Charity Commission (charity registration number 202152).

The information with respect to the Trustee, officers and advisers set out on page 1 forms part of this report.

Structure, governance and management

Governing document

The Charity is constituted under a Charity Commission Scheme dated 29 May 1985 as amended by a Scheme dated 8 May 1991 and is a registered charity, number 202152.

Governing body and organisational management

The Trustee of the Charity is SMV Trustee Company Limited. On 3 January 2017 a Charity Commission Scheme was made which appointed a corporate body as trustee of the Charity in place of the Society of Merchant Venturers. This is a company limited by guarantee, SMV Trustee Company Limited and it effectively stepped into the shoes of the Society of Merchant Venturers as Trustee from 1 January 2017. All the members of the Society of Merchant Venturers' Standing Committee (who were the de facto trustees before the order was made) are Directors of SMV Trustee Company Limited together with two independent directors, who serve for a three year term.

The Trustee meets to consider, at least on a quarterly basis, the broad strategy, direction and investment policy of the Charity.

The Society of Merchant Venturers' Almshouses Charity

Report of the Trustee for the year ended 31 December 2019 (continued)

Governing body and organisational management (continued)

The Charity is a Registered Social Landlord and, under the supervision of the Trustee, is managed by the Care of the Elderly Sub-Committee of the Society of Merchant Venturers, the members of which are:

Mr J S Laycock DL (Chairman) ^
Mr S R Parsons MBE DL ^
Mrs C-J Duckworth DL *
Mrs A M Nisbet
Mr C H C Densham ^
Mr R G Davis ^
Mr C J Pople ^
Mrs M Prior CVO MBE ^
Mr W R H Durie OBE (Retired 10 November 2019)
Mr C A Griffiths *
Mr J Telling (Appointed 10 November 2019)
Dr J M Cornish ^ (Appointed 10 November 2019)

* Denotes Standing Committee member

^ Denotes member of the Society of Merchant Venturers

The Sub-Committee meets at least quarterly to oversee and administer the efficient management of the Charity and to consider and subsequently recommend and gain approval from the Trustee for broad operational and strategic issues. The tenure of membership is 3 years, re-electable for a further 3 years and, in special circumstances, tenure can be extended. The induction process for any newly appointed member includes an initial meeting and site visits with the Chairman.

Accounting support is provided by the Merchant Venturers' Finance department.

Recruitment and training of the Trustee

The Directors of SMV Trustee Company Limited are elected annually from within the membership of the Society and are appraised of the general duties of a trustee. In the event of significant changes to legislation or best practice, further relevant training is undertaken. The management and strategy of the Charity are considered in greater detail by the Elderly Care Sub-Committee. The members of this Sub-Committee bring with them the necessary financial, property and care skills that enable them to deal both with more immediate issues as well as to assess, monitor and make the necessary recommendations for the future strategic direction and well-being of the Charity.

Risk management

In the light of the Corporate Governance guidance contained within the Statement of Recommended Practice 2015 "Accounting and Reporting by Charities", the Trustee has examined the major risks faced by the Charity. Systems are in place to monitor and control these risks to mitigate the impact that they have on the Charity in the future. Whilst the Trustee is responsible for the management of risk, the detailed consideration is delegated to the Care of the Elderly Sub-Committee. The risk register is reviewed and updated as required and on an annual basis by both the Merchant Venturers' Audit Committee and by the Care of the Elderly Sub-Committee, and is noted by the Trustee.

Objectives and activities

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

The Society of Merchant Venturers' Almshouses Charity

Report of the Trustee for the year ended 31 December 2019 (continued)

Objectives and activities (continued)

Objects of the Charity

The objects of the Charity, defined in the Charity Commission Scheme, which should be referred to for exact details, are:

"To provide Almshouses for poor persons of good character who (except in special cases to be approved by the Charity Commission) are inhabitants of the City of Bristol. In selecting residents for Colston's Almshouse preference should be given to members of the Church of England."

During the year the Charity has continued to provide accommodation to the elderly in accordance with the terms of the Scheme via the 12 self-contained accommodation units at Colston's Almshouse.

Aims and intended impact

The aim of the Charity is to provide affordable, suitable and fit for purpose accommodation for persons of good character. The Trustee has given careful consideration to the level of fees set for Colston's Almshouse and has adhered to the legislation which prescribes a formula of Consumer Price Index (CPI) + 1%. This enables the majority of residents at the Almshouse to meet their fees for rents wholly from Housing Benefit (where they are eligible individuals).

Objectives for the year

This year the focus has been ensuring that Colston's Almshouse is operated, equipped and maintained to meet both current and future social housing requirements.

Strategies to achieve the objectives

The future short and long-term maintenance needs of Colston's Almshouses have been considered in the light of changing requirements of the residents. The Almshouse should receive sufficient investment to meet expectations of future residents.

Further details can be found below under 'Future Plans'.

Volunteers

The welfare of the Almshouse residents, benefits from the support of the SMV Visiting Group, who regularly visit the Almshouse. A small group of the Sub-Committee also visits the Almshouse.

Achievements and performance

Throughout the year Colston's Almshouse has provided 12 flats to those in need at social housing rates. Occupants of this close-knit community enjoy all the advantages of a historic building and setting but located in an inner-city environment. The Trustee continues to monitor and maintain the building for the benefit of the residents and improve units, as they become vacant.

Financial review

The statement on page 9 shows total comprehensive income for the year of £618,426 (2018: £202,863 deficit). The increase from 2018 to 2019 is largely due to the unrealised gain on investments totalling £435,479 (2018: £354,421 loss). The operating surplus for the year was £13,745 (2018: £43,214).

The Society of Merchant Venturers' Almshouses Charity

Report of the Trustee for the year ended 31 December 2019 (continued)

Investment policy and performance

The Trustee has delegated responsibility to the Merchant Venturers' Finance and Investment Sub-Committee, for the investment and performance of the financial assets; the appointment of appropriate Fund Managers and monitoring their performance; and to recommend to the Trustee optimum strategy for financial investment.

The Merchant Venturers Finance and Investment Sub-Committee's policy is to increase income whilst preserving the real value of the investments. The income provides unrestricted funds to enable the Trustee to pursue the objects of the Charity, including plans for the future. As noted above funds continue to be invested in MVCIP.

2019 saw positive returns for stock markets. Generally accommodative global central bank policy and easing geo-political risks helped buoy investor sentiment. During the year the Bank of England's Monetary Policy Committee maintained the base rate of 0.75%. The total return of the MVCIP investment portfolio in the year was a gain of 20.9% versus the composite benchmark of 16.2% (2018: loss of (8.14)%).

Reserves policy

The Trustee aims as far as possible to maintain two years of resources expended in the revenue reserve. The revenue reserve also includes the proceeds of sale of St Nicholas with Burton's Almshouse (£830,000) and Merchants' Almshouse (£620,000) which will be used in the reprovion of new almshouses.

The Extraordinary Repair Reserve of £280,048 at 31 December 2019 (2018: £229,320) provides for major maintenance and repair of an extraordinary and irregular nature. This policy is subject to annual review.

The Trustee transfers £1,230 into the Extraordinary Repair Reserve on an annual basis.

Going concern

The financial statements have been prepared on a going concern basis which the Trustee considers to be appropriate for the following reasons.

The Trustee has prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the charity will have sufficient funds to meet its liabilities as they fall due for that period.

COVID-19 has had an effect on the valuation of investments which have seen a decrease in value of (23.4%) in the period from 31st December 2019 to 30th April 2020. The quarter ended 31 March 2020 saw sharp falls in equity markets. In sterling terms, the MSCI All Country World Index (excluding UK) declined (7.25)% over the four months to 30 April 2020, while in the UK the FTSE All-Share posted a total return loss of (21.45)%.

The downside scenarios arising from the pandemic considered by the Trustee include a situation where income is significantly reduced. The Charity has current assets considerably in excess of its liabilities and, even with a significant fall in income, has sufficient resources to meet its liabilities as they fall due throughout the forecast period.

Consequently, the Trustee is confident that the Charity will have sufficient funds to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore has prepared the financial statements on a going concern basis.

Governance and Financial Viability

In accordance with the Accounting Direction for Private Registered Providers of Social Housing 2015, the Trustee certifies compliance with the governance and financial viability standard.

Report of the Trustee for the year ended 31 December 2019 (continued)

Future plans

Following an acknowledgement of the need to plan for and meet changing needs and expectations a strategic review of the future of the Almshouses was conducted during 2016.

It is planned to use the proceeds of the sale of Merchants' Almshouse in 2014 together with the proceeds of the sale in 2007 of St Nicholas with Burton's Almshouse, in the re-provision of new almshouses. The Trustee continues to aspire to work in partnerships with other Charities to achieve this aim.

Accounting and reporting responsibilities

Statement of Trustee's responsibilities in respect of the Report of the Trustee and the financial statements


Under charity law, the trustee is responsible for preparing the Report of the Trustee and financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of income over expenditure for that period. The trustee has elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In preparing these financial statements, generally accepted accounting practice entails that the trustee:

- selects suitable accounting policies and then apply them consistently;
- makes judgements and estimates that are reasonable and prudent;
- states whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- states whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assesses the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- uses the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The trustee is required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Signed for and on behalf of the Trustee



J R Ancell
Director

Date: 24 September 2020

Independent auditor's report to the Trustee of The Society of Merchant Venturers' Almshouses Charity

Opinion

We have audited the financial statements of The Society of Merchant Venturers' Almshouses Charity ("the charity") for the year ended 31 December 2019 which comprise the statement of financial activities, balance sheet and related notes, including the accounting policies on pages 11 to 12.

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 for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustee has prepared the financial statements on the going concern basis as they do not intend to liquidate the charity or to cease its operations, and as they have concluded that the charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the trustees' conclusions, we considered the inherent risks to the charity's business model and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charity will continue in operation.

Other information

The trustee is responsible for the other information, which comprises the Report of the Trustee. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Independent auditor's report to the Trustee of The Society of Merchant Venturers' Almshouses Charity (continued)

Matters on which we are required to report by exception

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; 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.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 6, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's trustees as a body, in accordance with section 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Brown
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

Date: 29 September 2020

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Society of Merchant Venturers' Almshouses Charity

Statement of comprehensive income for the year ended 31 December 2019

	Notes	2019 £	2018 £
Turnover			
Rental income		96,082	94,083
Services charges	1	5,681	5,182
Less: Rent losses from voids		(2,833)	-
Net contribution		98,930	99,265
Other rental income		38,008	38,100
Other income		-	-
		136,938	137,365
Operating costs			
Services		50,747	39,444
Management	17 & 18	15,806	14,644
Routine maintenance		39,963	23,687
Depreciation		16,677	16,376
		(123,193)	(94,151)
Operating surplus		13,745	43,214
Unrealised gain/(loss) on investments	8	435,479	(354,421)
Unrealised gain on investments of designated reserves	10 & 15	49,498	1,354
Net surplus/(deficit)		498,722	(309,853)
Interest receivable and other income	4	120,382	108,060
Interest payable and similar expenses	5	(678)	(1,070)
Total comprehensive income for the year		618,426	(202,863)

The results presented above relate wholly to continuing activities.

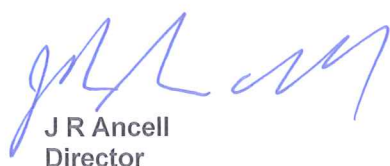
There is no difference between the surplus on ordinary activities for the year as stated above and their historical cost equivalents.

The Society of Merchant Venturers' Almshouses Charity

Balance sheet at 31 December 2019

	Notes	2019 £	2018 £
Fixed assets			
Housing properties	7	324,458	336,263
Less: Social Housing Grant	7	(278,680)	(278,680)
		45,778	57,583
Investments	8	1,165,425	1,000,609
Total fixed assets		1,211,203	1,058,192
Current assets			
Debtors	9	35,413	32,768
Investments	8	2,006,241	1,730,778
Extraordinary repair reserve investments	10	280,048	229,320
Cash at bank and in hand		567,765	429,367
		2,889,467	2,422,233
Creditors: amounts falling due within one year	11	(23,795)	(21,974)
Net current assets		2,865,672	2,400,259
Net assets		4,076,875	3,458,451
Capital and reserves			
Capital account	13	259,176	254,376
Investment revaluation reserve	14	1,287,290	851,811
Extraordinary repair reserve	15	280,048	229,320
Revenue reserve	16	2,250,361	2,122,944
Total capital and reserves		4,076,875	3,458,451

The financial statements on pages 9 to 19 were approved by the Standing Committee on 24/09/2020 and are signed on its behalf by:


J R Ancell
Director


G E Camm DL
Director

The Society of Merchant Venturers' Almshouses Charity

Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention as modified by the revaluation of investments. They comply with the Statement of Recommended Practice for Accounting by Registered Social Landlords (SORP) (updated 2014), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Accounting Direction for Private Registered Providers of Social Housing 2015.

The accounting policies that the Charity has adopted to determine the amounts included in respect of material items shown in the Balance sheet and also to determine the income and expenditure have been applied consistently in the current and preceding year, and are shown below.

The financial statements have been prepared on a going concern basis. The Trustee's report discusses the uncertainties arising from current economic conditions and explains why the Trustee considers this basis to be appropriate.

Critical accounting judgements and key sources of estimation uncertainty

In applying the charity's accounting policies, the Trustee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Turnover

Turnover represents rental income and maintenance contributions receivable. All turnover is derived from operations in the United Kingdom.

Expenditure

Expenditure is accounted for on an accruals basis, inclusive of irrecoverable VAT, and is recognised when there is a legal or constructive obligation to pay for expenditure.

Housing properties

The almshouse is stated at original cost less accumulated depreciation.

Fixed assets and depreciation

Depreciation is charged on the historic cost of property after deducting the Housing Association Grant. The charge on fixtures and fittings is calculated so as to write off assets on a straight-line basis over the expected useful economic lives of the assets concerned. The annual rates used for this purpose have been:

Freehold properties	2%
Building improvements	10%
Fixtures and fittings	20%

Land is not depreciated.

Assets with a cost of less than £1,000 are written off to expenditure during the year.

The Society of Merchant Venturers' Almshouses Charity

Principal accounting policies (continued)

Investments

Both current and fixed asset investments are stated at mid-market value at balance sheet date. This is not in accordance with FRS102 which recommends bid value but is consistent with the entity's performance management process. Using bid values would lead to a reduction in the valuation of these listed investments of an amount which is considered by the Trustee to be immaterial.

The income and expenditure account includes the net gains and losses arising on revaluations and disposals during the year.

Social Housing Grant

Capital Housing Association grants are deducted from the cost of the housing properties as shown on the face of the Balance sheet.

Extraordinary repair reserve

An amount is transferred annually from revenue to this reserve to provide for major expenditure of an extraordinary nature (notes 10 and 16). The amount so transferred is authorised by the Charity Commission.

Apportionment order

The apportionment order recoups capital expenditure on the renovation of the St Nicholas with Burton's Almshouses from 20 August 1996 to 27 October 1997 (note 14). Payment is made over 25 years by way of annual contributions pursuant of a Charity Commission order dated 2 May 1996 and is invested in the Merchant Venturers' Charities Investment Pool ("MVCIP") (Charity Number 1053459).

Irrecoverable VAT

Any irrecoverable VAT is charged to the income and expenditure account or capitalised as part of the cost of the related asset, where appropriate.

Cash flow statement

A statement of cash flows has not been prepared as the charity has taken advantage of the exemption available in the SORP for smaller charities.

Taxation

The Society of Merchant Venturers' Almshouses Charity is registered as a charity and as such tax exemption applies to the income arising from and expended on charitable activities and to its investment income and gains.

The Society of Merchant Venturers' Almshouses Charity

Notes to the financial statements for the year ended 31 December 2019

1 Rental income from residents

Within the rental income from residents is £5,681 relating to service charges (2018: £5,182).

2 Trustee's emoluments

The Trustee did not receive any emoluments or reimbursement of expenses in respect of services during the year (2018: nil), nor had any beneficial interest in any contract with the Charity during the year or in the prior year.

3 Employee information

The Charity had no employees in either 2018 or 2019. However a recharge is made by the Society of Merchant Venturers and The Cote Charity as disclosed in notes 18 and 19.

4 Interest receivable and other income

	2019 £	2018 £
Investment income	118,248	107,883
Other income	2,134	177
	120,382	108,060

5 Interest payable and similar charges

	2019 £	2018 £
On loans from Orchardbrook Limited wholly or partly repayable in more than five years	-	214
Bank interest and charges	678	856
	678	1,070

The Society of Merchant Venturers' Almshouses Charity

Notes to the financial statements for the year ended 31 December 2019

6 Surplus on ordinary activities

	2019 £	2018 £
Surplus on ordinary activities is stated after charging:		
Audit fee	5,316	3,960
Depreciation on owned assets	16,677	16,376

The audit fee excluding irrecoverable VAT was £ 4,430 (2018: £3,300).

7 Fixed assets – Almshouses

	Building improvements £	Colston's Almshouse £	Fixtures and fittings £	Total £
Cost				
At 1 January 2019	162,248	265,287	24,146	451,681
Additions	2,496	-	2,376	4,872
Disposals	-	-	-	-
At 31 December 2019	164,744	265,287	26,522	456,553
Accumulated depreciation				
At 1 January 2019	91,547	-	23,871	115,418
Charge for the year	16,287	-	390	16,677
Disposals	-	-	-	-
At 31 December 2019	107,834	-	24,261	132,095
Net book value				
At 31 December 2019	56,910	265,287	2,261	324,458
At 31 December 2018	70,701	265,287	275	336,263
Less: Social Housing Grant				(278,680)
				45,778

All properties are freehold and held for the purposes of providing supported housing. The Social Housing Grant could be repayable upon disposal of the Colston's Almshouse.

The Society of Merchant Venturers' Almshouses Charity

Notes to the financial statements for the year ended 31 December 2019

8 Investments

Fixed asset investment

	2019 £	2018 £
Market value		
At 1 January	1,000,609	1,127,405
Additions at cost	4,800	-
Revaluation	160,016	(126,796)
At 31 December	1,165,425	1,000,609
	£	£
Historical cost	254,376	249,576

Current asset investment

	2019 £	2018 £
Market value		
At 1 January	1,730,778	1,958,403
Additions at cost	-	-
Revaluation	275,463	(227,625)
At 31 December	2,006,241	1,730,778
	£	£
Historical cost	1,630,000	1,630,000

The current asset investment represents the proceeds of sale of St Nicholas with Burton's in 2007 and the proceeds of sale of Merchants' Almshouse in 2014 and does not form part of the endowment fund of the Charity. The Charity is actively looking for the best use of these funds for new almshouses to meet its objectives.

Variations in the market value of the investments are shown by way of movement in the investment revaluation reserve (see note 15).

9 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Rent	1,113	1,593
Other debtors	29,889	27,469
Prepayments and accrued income	4,411	3,706
	35,413	32,768

**Notes to the financial statements
for the year ended 31 December 2019**

10 Investments held on account of the extraordinary repair reserve

The investments held on account of the extraordinary repair reserve are held by COIF. Withdrawals from the reserve must be approved by the Trustee and income arising from the investments is accumulated in the reserve. The investments are stated at their market value on 31 December 2019. Their historical cost is £68,074 (2018: £68,844).

	2019 £	2018 £
Market value		
At 1 January	229,320	226,736
Additions at cost	1,230	1,230
Revaluation to market value	49,498	1,354
At 31 December	280,048	229,320

11 Creditors: amounts falling due within one year

	2019 £	2018 £
Other creditors	9,884	12,050
Accruals and deferred income	13,911	9,924
	23,795	21,974

Notes to the financial statements
for the year ended 31 December 2019

12 Mortgage from Orchardbrook Limited

	2019 £	2018 £
Principal at 1 January	-	3,844
Repayment in period	-	(3,844)
Principal at 31 December	-	-

	2019 £	2018 £
Mortgage is repayable as follows:		
In one year or less	-	-
Between one year and two years	-	-
Between two years and five years	-	-
At 31 December	-	-

The mortgage, which was secured on Colston's Almshouse, was repayable over 30 years and bore interest at 9.75%. The final instalment was paid during 2018.

13 Capital account

	£
At 1 January 2019	254,376
Transfer from income and expenditure account	4,800
At 31 December 2019	259,176

The capital account and fixed asset investment revaluation reserve form the endowment fund of the Charity. A transfer from income and expenditure has been made under a recoupment order (see accounting policies).

14 Investment revaluation reserve

	Current asset investment £	Fixed asset investment £	Total £
At 1 January 2019	100,778	751,033	851,811
Revaluation to market value	275,463	160,016	435,479
At 31 December 2019	376,241	911,049	1,287,290

Movements on the investment revaluation reserve represent changes in the market value of the current and fixed asset investments held on account of the share of the Charity in the Merchant Venturers' Charities Investment Pool (see note 8).

The Society of Merchant Venturers' Almshouses Charity

Notes to the financial statements for the year ended 31 December 2019

15 Extraordinary repair reserve

	£
At 1 January 2018	229,320
Transfer from income and expenditure account	1,230
Investment revaluation for year	49,498
At 31 December 2019	280,048

16 Revenue reserve

	£
At 1 January 2019	2,122,944
Surplus on ordinary activities for year	133,447
Transfer to extraordinary repair reserve	(1,230)
Transfer to capital account	(4,800)
At 31 December 2019	2,250,361

17 Transactions with related parties

Society of Merchant Venturers

The Charity incurred a reallocation of salaries and overhead costs of £11,430 (2018: £10,344) from the Society of Merchant Venturers, to cover the services it provides in relation to the management and administration of the Charity, of which £nil is outstanding at the year-end (2018: £nil).

Merchant Venturers' Charities Investment Pool (MVCIP)

SMV Trustee Company Limited is the Trustee of MVCIP and the ultimate controlling party of The Society of Merchant Venturers' Almshouses Charity. For details of investments held and income received from investments in MVCIP, see notes 4 and 8. At 31 December 2019 the charity was owed £nil by MVCIP (2018: £nil).

18 Connected charity

The Cote Charity (Registered Charity Number 257237) is a connected charity under the definition of the Charities' SORP 2015 as it has related objects and the same Trustee as The Society of Merchant Venturers' Almshouses Charity. Further information can be obtained from the Charity's registered address detailed on page 1 of the Report of the Trustee.

The Society of Merchant Venturers' Almshouses Charity incurred a charge of £4,376 (2018: £4,300) for the services of the Colston's Almshouse Manager, a charge of £nil (2018: £2,318) for a housekeeper and a charge of £5,219 for a maintenance officer (2018: £2,318). At 31 December 2019 £nil (2018: £1,815) was owing by the SMV Almshouse Charity to the Cote Charity relating to these services. The SMV Almshouse Charity provided the services of a Chaplain to The Cote Charity at a cost of £3,672 (2018: £3,750) of which £625 (2018: £625) was outstanding at 31 December 2019.

The Society of Merchant Venturers' Almshouses Charity

Notes to the financial statements for the year ended 31 December 2019

19 Owned / Managed units (Social Housing)

Number of units as at 31 December 2019

The Charity owns 12 units for disadvantaged people of which 10 have been fully occupied throughout the year (2018: 12 fully occupied).

Residents' rents

Residents rents are set using the legislation which prescribes a formula of Consumer Price Index (CPI) + 1%. Where necessary, all or part of the rent can be reclaimed. From 1 April 2019 rent for Colston's Almshouse was £161.10 per week.

The charging of rents produced a contribution net of voids over the year of £98,930 (2018: £99,265).