

**NORTON FOLGATE ALMSHOUSE
CHARITIES
(Registered charity number: 207243)**

Financial Statements

**Year ended
31 December 2020**

NORTON FOLGATE ALMSHOUSE CHARITIES

Annual report and financial statements for the year ended 31 December 2020

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NORTON FOLGATE ALMSHOUSE CHARITIES

REFERENCE AND ADMINISTRATIVE INFORMATION

Year ended 31 December 2020

Charity name: Norton Folgate Almshouse Charities

Charity Registration number: 207243

Registered Office: 2, Fournier Street, London E1 6QE

Correspondence Address: 285 Commercial Road, London E1 2PS

Trustees: Mr C D Weavers LBTH (Chair from July 2021)
Mr D Gamble Co-opted (Vice Chair)
Ms C McCarter Co-opted (Chair until July 2021)
Ms A Bapst LBTH (from June 21)
Mr P Goldring ex officio (from Sept 21)
Mr S Pavitt PCC
Ms I Puschwein LBTH
Rev Andy Rider ex officio (retired April 2021)
Mr R Wasserfall PCC (from May 21)

Clerk to the Trustees: Mr K O Povey

Auditors: Kreston Reeves LLP, Montague Place, Quayside, Chatham Maritime, Kent, ME4 4QU.

Bankers: Allied Irish Bank (GB), 26 Finsbury Square, London EC2A 1DS
Triodos Bank NV, Deanery Road, Bristol BS1 5AS

Solicitors: Devonshires Solicitors, 30 Finsbury Circus, London EC2M 7DT

NORTON FOLGATE ALMSHOUSE CHARITIES

REPORT OF THE TRUSTEES

Year ended 31 December 2020

The Trustees present their report together with the audited financial statements for the year ended 31 December 2020.

OBJECTIVES AND ACTIVITIES

Purpose of the charity

The overall objective of the Charity is to provide affordable housing for people in need in Spitalfields.

Main Activities

Through the managing agent and the work of the trustees, the charity seeks to allocate its properties fairly and transparently, to maintain them and manage them to a good standard, and to have regard for the welfare of the residents.

Public Benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the charity commission relating to public benefit.

ACHIEVEMENTS AND PERFORMANCE

The Covid-19 pandemic and associated safety measures introduced by the Government have continued to impact on the work of the charity; however, we have taken additional measures to try and maintain contact with our beneficiaries while also carrying out essential works and improvements.

The charity has continued to work closely with its commercial tenant to help it during the government-imposed lockdown. The charity considers this to be in the best long-term interests of the charity.

The charity has also taken the opportunity, in advance of the contract with its existing managing agents ending later in 2021, to go out to tender for the provision of Managing Agent services.

During the year, the Trustees held a separate meeting dedicated to reviewing and updating the Charity's Strategy. Coming out of the pandemic, the Charity is in a good financial position, has recruited additional Trustees, has reviewed and updated its Strategy and considers it is well placed to move forwards.

FINANCIAL REVIEW

Financial position at balance sheet date

The Charity is on a sound financial footing. New maintenance plans have been put in place for works to almshouse properties carried out which were postponed in earlier years. A reserve is maintained for any unforeseen work.

At 31 December 2020, the charity's total funds were £2,572,160 (2019: £2,480,837). Of this total, £1,376,627 (2019: £1,292,805) was in unrestricted funds, which should be expended on the purposes of the charity. The trustees consider it prudent to retain cash reserves equivalent to 12 months' expenditure, which reached £72,555 in 2020.

For both restricted and unrestricted funds, the charity's assets are available and adequate to fulfil its obligations.

NORTON FOLGATE ALMSHOUSE CHARITIES

REPORT OF THE TRUSTEES

Year ended 31 December 2020

Reserves policy

Designated reserves are maintained based on guidance issued by the Almshouse Association for expenditure on cyclical maintenance and extraordinary repairs of the charity's properties. In the period under review there were no transfers from general to designated reserves. (2019: £Nil).

Risk Management

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the operations and finances of the charity, and are satisfied that systems are in place to mitigate exposure to the major risks. Procedures are in place to ensure compliance with health and safety of staff, volunteers and residents. These procedures are reviewed periodically to ensure that they continue to meet the needs of the charity.

PLANS FOR FUTURE PERIODS

Over the next 12 months, the charity will work with its new managing agents, to put in place a number of improvements for the benefit of its beneficiaries, including the appointment of a part-time warden who can visit the beneficiaries at regular intervals to help them with any issues. The move to carrying out Quinquennial surveys will also allow the charity to budget more accurately for repairs and planned works. Longer-term the Trustees will consider how best to use the financial resources of the charity to deliver further public benefit.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Norton Folgate Almshouse Charities ('the Charity') is regulated by the Charity Commission under Schemes dated 1900, 1912, 1930, 1982, 1989, 1996 and 2013. The Trust Deed sets out how it is to be administered.

Recruitment and Appointment of Trustees

The trustees number seven in total:

One ex-officio member, to be the Rector of Christ Church with All Saints, Spitalfields or their nominee.

Five nominated trustees, three LBTH and two by the PCC of Christ Church Spitalfields

One Co-opted trustee

Each appointment is for four years. Nominative trustees are expected to have a special knowledge of the area of benefit

Trustee Induction and Training

There is no formal induction or training but the Clerk and Chair seek to ensure that all trustees are aware of their duties and are equipped with the knowledge to carry them out.

NORTON FOLGATE ALMSHOUSE CHARITIES

REPORT OF THE TRUSTEES

Year ended 31 December 2020

Organisational Structure

The trustees meet quarterly to make decisions of policy and allocations, monitor performance, receive accounts, and approve the budget and any significant expenditure. Day-to-day management is delegated to Tower Hamlets Community Housing as the managing agent. The trustees are responsible for monitoring the work of the managing agent. They receive reports on such matters as rent accounts, maintenance, and finance. Representatives of the managing agent attend meetings of trustees but have no voting rights. The use of managing agents enables the charity to benefit from updated and competent working practices.

Related Parties

The Charity de-registered from the Housing Corporation (now the Homes & Communities Agency) some years ago. It remains a member of the Independent Housing Ombudsman Service and the Almshouse Association. Trustees have considered guidance on disclosure of conflicts of interest and have reported no related party transactions.

Going Concern

The Trustees have a reasonable expectation that the charity has adequate resources to operate for the foreseeable future and therefore have continued the going concern basis in preparing these financial statements. Further details regarding the adoption of the going concern basis are given in the Accounting Policies.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are required to prepare financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice, for each financial year, which give a true and fair view of the state of affairs of the Charity and of the results of the Charity for that period. In preparing those financial statements the trustees are required to:

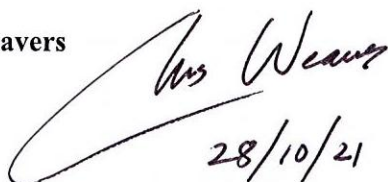
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They also 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.

By order of the Trustees

Mr C Weavers
Chair

Date:



28/10/21

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF

NORTON FOLGATE ALMSHOUSE CHARITIES

Opinion

We have audited the financial statements of Norton Folgate Almshouse Charities for the year ended 31 December 2020 set out on pages 9 to 17. 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 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt about the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify any such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF NORTON FOLGATE ALMSHOUSE CHARITIES

Matters on which we are required to report by exception

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

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF

NORTON FOLGATE ALMSHOUSE CHARITIES

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Charity and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards) we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery, safeguarding, data protection and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019) and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and not correctly recognising restricted revenue as such. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Review of cash expenditure to confirm no evidence of personal benefit; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Reading minutes of those charged with governance; and
- Review of significant and unusual transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for the financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

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

- 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 of the effectiveness of the unincorporated charities internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
NORTON FOLGATE ALMSHOUSE CHARITIES**

- Conclude on the appropriateness of the Trustees' 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 unincorporated charities ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my 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 Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Chatham Maritime

Date: 29 October 2021

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

NORTON FOLGATE ALMSHOUSE CHARITIES

STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 December 2020

	Notes	Unrestricted Funds £	Endowment Funds £	Total Funds 2020 £	Total Funds 2019 £
Income and endowments from:					
Charitable activities	2	89,085	-	89,085	82,328
Investment income	3	66,202	2,110	68,312	109,063
Other Incoming Resources	4	850	-	850	714
Total		<u>156,137</u>	<u>2,110</u>	<u>158,247</u>	<u>192,105</u>
Expenditure on:					
Charitable activities	5	72,555	-	72,555	69,356
Total		<u>72,555</u>	<u>-</u>	<u>72,555</u>	<u>69,356</u>
Net income before net gains/(losses) on investments		83,582	2,110	85,692	122,749
Net gains/(losses) on investments		240	5,391	5,631	10,643
Net movement in funds		83,822	7,501	91,323	133,392
Reconciliation of Funds					
Total funds brought forward		1,292,805	1,188,032	2,480,837	2,347,445
Total funds carried forward		<u>1,376,627</u>	<u>1,195,533</u>	<u>2,572,160</u>	<u>2,480,837</u>

All amounts relate to continuing activities.

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

NORTON FOLGATE ALMSHOUSE CHARITIES

BALANCE SHEET 31 December 2020


	Notes	2020 £	£	2019 £	£
Fixed assets:					
Tangible assets	7		417,936		428,712
Investments	8		1,353,120		1,347,729
Total fixed assets			<u>1,771,056</u>		<u>1,776,441</u>
Current assets					
Debtors	9	38,244		6,787	
Investments	10	8,027		7,787	
Cash at bank and in hand		936,712		858,845	
Total current assets		<u>982,983</u>		<u>873,419</u>	
Liabilities					
Creditors: Amounts falling due within one year	11	(114,809)		(81,454)	
Net current assets			<u>868,174</u>		<u>791,965</u>
Total assets less current liabilities			<u>2,639,230</u>		<u>2,568,406</u>
Creditors: Amounts falling due after more than one year	12		(67,070)		(87,569)
Net assets			<u>2,572,160</u>		<u>2,480,837</u>
The funds of the charity:					
Endowment funds	13		1,195,533		1,188,032
Unrestricted income funds					
General funds		1,258,053		1,174,231	
Designated funds	14	118,574		118,574	
			<u>1,376,627</u>		<u>1,292,805</u>
Total charity funds			<u>2,572,160</u>		<u>2,480,837</u>

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

These financial statements were approved by the Trustees and signed on their behalf by:

Mr C Weavers
Chair

Date of approval:


28/10/21

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

1 ACCOUNTING POLICIES

Introduction and accounting basis

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost.

Fund Accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

Income

Income is included in the Statement of Financial Activities when it is more likely than not that the income will flow to the charity, the income can be measured reliably and entitlement to the income has been established. The following policies apply to the specific categories of income:

Rental income is included when receivable

Maintenance contributions income is included when receivable

Investment income is included when receivable

Expenditure

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

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings

Going Concern

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

Fixed Assets and Depreciation

Properties are stated at cost which includes the following:

- i) cost of acquiring land and buildings
- ii) development expenditure
- iii) interest charged on any mortgage loans raised to finance the scheme

NORTON FOLGATE ALMSHOUSE CHARITIES

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2020

ACCOUNTING POLICIES (CONTINUED)

Depreciation is charged on a straight line basis over the expected useful economic lives of fixed assets at the following annual rates:

Furniture and equipment	25% per annum and 33 1/3% per annum
Freehold property	2%

Freehold land is not depreciated.

Social Housing Grant

Social Housing Grants made by the Housing Corporation have been deducted from the cost of housing properties on the balance sheet.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Debtors

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

Cash at Bank and In Hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

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

Reserve for future cyclical maintenance

The charity carries out cyclical maintenance and re-decorations in accordance with a planned programme of works. Transfers are made to the designated reserve in accordance with guidance issued by the Almshouse Association.

Extraordinary repair fund

The fund is set aside for extraordinary expenditure on repairs. Transfers are made to the designated reserve in accordance with guidance issued by the Almshouse Association.

NORTON FOLGATE ALMSHOUSE CHARITIES

NOTES ON THE FINANCIAL STATEMENTS (continued) 31 December 2020

2 INCOME FROM CHARITABLE ACTIVITIES

	2020 £	2019 £
Contributions receivable net of identifiable service charges	89,085	82,328

3 INVESTMENT INCOME

	2020 £	2019 £
Rent receivable from investment properties	66,202	106,995
Income receivable on endowment asset	2,110	2,068
	68,312	109,063

4 OTHER INCOMING RESOURCES

	2020 £	2019 £
Bank interest receivable	850	714
	850	714

5 EXPENDITURE ON CHARITABLE ACTIVITIES

	2020 £	2019 £
Charitable activities:		
Repairs	21,673	17,443
Service cost	20,738	23,328
Interest payable on housing loan	3,239	3,686
Administrative costs	12,751	11,915
Depreciation	10,776	10,776
	69,177	67,148
Support costs (governance):		
Auditors' remuneration (including VAT and expenses)	3,378	2,208
- In their capacity as auditors		
	72,555	69,356

NORTON FOLGATE ALMSHOUSE CHARITIES

NOTES ON THE FINANCIAL STATEMENTS (continued) 31 December 2020

6 TRUSTEES' EMOLUMENTS

None of the Trustees received any emoluments (2019: Nil). During the year, no Trustees expenses were reimbursed to trustees (2019: £107).

7 FIXED ASSETS

	Freehold almshouse property £	Furniture and equipment £	Total £
Cost			
At 1 January 2020	1,041,340	9,309	1,050,649
At 31 December 2020	1,041,340	9,309	1,050,649
Social Housing Grant			
At 1 January 2020 & 31 December 2020	502,542	-	502,542
Depreciation			
At 1 January 2020	110,086	9,309	119,395
Charge for the year	10,776	-	10,776
At 31 December 2020	120,862	9,309	130,171
Net Book Value			
At 31 December 2020	417,936	-	417,936
At 31 December 2019	428,712	-	428,712

Norton Folgate Almshouse Charity received Social Housing Grant ('SHG') whilst it was a registered social landlord governed by the Housing Corporation (now called the Homes and Communities Agency). In accordance with the SORP for Registered Social Landlords, the SHG was offset against the related capital costs for which it was provided. Norton Folgate deregistered with the Housing Corporation on 7 September 2000. There is no requirement to repay the grant on deregistration, however the conditions attached to the grant continue to apply. In light of this, the Trustees believe it is appropriate to continue to offset the SHG against the costs of fixed assets. Whilst this is a departure from the Charity SORP, the Trustees believe that it is necessary to provide a true and fair view.

NORTON FOLGATE ALMSHOUSE CHARITIES

NOTES ON THE FINANCIAL STATEMENTS (continued) 31 December 2020

8 INVESTMENTS

	Investment property £	Listed investments £	Total £
Market value			
At 1 January 2020	1,279,000	68,729	1,347,729
Revaluation in year	-	5,391	5,391
At 31 December 2020	1,279,000	74,120	1,353,120

The Charity receives income from a commercial tenancy which forms an integral part of the almshouse complex. The investment part of the property comprises a ground floor restaurant let at a commercial rent. The investment property was valued in 2016 by Savills, an independent firm of Chartered Surveyors, on an open market value for existing use basis. Between 2016 and the date of the balance sheet the Trustees have used market data to obtain assurances that the property value still remains relevant.

Listed investments comprise 4,069 Charities Official Investment Fund Income Units.

9 DEBTORS

	2020 £	2019 £
Amounts receivable within one year:		
Sundry debtors and prepayments	3,516	2,361
Rent arrears	34,728	4,426
	38,244	6,787

10 OTHER INVESTMENTS

	2020 £	2019 £
At market value:		
4,074.85 Charinco Income Units	8,027	7,787

11 CREDITORS

	2020 £	2019 £
Amounts falling due within one year:		
Loan principal	24,529	20,071
Other	90,280	61,383
	114,809	81,454

NORTON FOLGATE ALMSHOUSE CHARITIES

NOTES ON THE FINANCIAL STATEMENTS (continued) 31 December 2020

12 CREDITORS

	2020 £	2019 £
Amounts falling due after more than one year:		
Housing loans repayable by instalments:		
Between one and two years	13,145	20,537
Between two and five years	42,520	40,958
After five years	11,405	26,074
	<u>67,070</u>	<u>87,569</u>

The refurbishment of Puma Court was financed by two loans. A loan of £300,000 was arranged from Triodos Bank of which £125,000 was repaid at the beginning of February 2012. The remainder of the loan is repayable over 15 years. The loan is secured by a charge over the property at Puma Court and carries interest at 3.0% above base rate, with a minimum of 3.5%.

The second was an interest free loan of £75,000 repayable over ten years from The Almshouse Association.

13 ENDOWMENT FUND

	2020 £	2019 £
Balance at beginning of year	1,188,032	1,175,529
Increase in value of fixed asset investments during year	5,391	10,435
Income earned in year	2,110	2,068
Balance at end of year	<u>1,195,533</u>	<u>1,188,032</u>

14 DESIGNATED RESERVES

	Reserve for Future Cyclical Maintenance £	Extraordinary Repair Fund £	Future Repairs and Maintenance £	Total 2020 £	Total 2019 £
At 1 January 2020	38,854	54,720	25,000	118,574	118,574
Transfers in year	-	-	-	-	-
At 31 December 2020	<u>38,854</u>	<u>54,720</u>	<u>25,000</u>	<u>118,574</u>	<u>118,574</u>

NORTON FOLGATE ALMSHOUSE CHARITIES

NOTES ON THE FINANCIAL STATEMENTS (continued) **31 December 2020**

15 RELATED PARTY TRANSACTIONS

At 31 December 2020 £24,204 was payable to Tower Hamlets Community Housing Limited for Management charges (2019: £10,780), £24,483 was payable for Bacs recharges and £140 for THCH handyperson recharges (2019: £0).

16 CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2020.

