

ST. MARY'S HOMES

GODSTONE

ANNUAL REPORT AND ACCOUNTS

Year Ended 31st December 2016

ST. MARY'S HOMES, GODSTONE

TRUSTEES

Rev Peter O'Connell (ex officio)	Chairman (appointed 17 November 2016)
Mr Len Lelliott	Acting Chairman (until 17 November 2016)
Mrs Louise Case (ex officio)	
Mrs Diane Grose (ex officio)	
Mr Philip Anderson	Honorary Secretary
Mrs Betty Knight	
Miss Margaret Shelley	

OFFICERS

A. W. Turner F.C.A.	Honorary Treasurer
M. W. Swinyard	Independent Examiner

ADDRESS

St. Mary's Homes
Church Lane
Godstone
Surrey RH9 8BW

BANKERS

Lloyds Bank
21 Station Avenue
Caterham
Surrey CR3 6YT

SOLICITORS

Dollman & Pritchard
8 The Square
Caterham
Surrey CR3 6XS

HISTORY

St. Mary's Homes were founded in 1872 in the quiet and pleasant Church Town area of Godstone. They were designed by Sir George Gilbert Scott and comprise eight self-contained houses and a small chapel. Each of the houses consists of at least a sitting room, bedroom, bathroom and kitchen. The buildings are arranged around three sides of a courtyard in the centre of which stands an old well.

The Homes were founded through the sole generosity of Mrs. Augusta Nona Hunt who moved to Wonham House in the parish of Godstone with her infant daughter, Mabel Fanny, having been suddenly widowed at a young age. Contemporaries record the personality and piety of the young widow and describe her as being "of a singularly lovable nature, devoted to everything that is pure and beautiful and given to good works".

Tragically Mabel Fanny died on 27th June 1872 shortly after her sixteenth birthday and Mrs. Hunt resolved later that year to commemorate her daughter by establishing St. Mary's Homes.

Over the years accommodation has been provided for many local people in need. It was not originally necessary for the residents to contribute to the running of the Homes but, due to increased maintenance costs and in particular, the rising price of fuel and other public utilities, the residents have been required to make weekly contributions since 1971. When they were built the standard of the Homes were basic but considered acceptable for the times. In order to keep up with the rising standards expected from this type of accommodation successive generations of trustees have carried out improvements to enhance the comfort and amenities of the accommodation.

In addition to the residents' contributions the maintenance of the Homes by the Trustees benefits from an income derived from endowments, bequests and donations from local residents and visitors.

TRUSTEES REPORT

The Trustees present their report and the examined financial statements for the year ended 31 December 2016. This report is prepared in accordance with the Charities Act 2011 and The Charities (Accounts and Reports) Regulations 2005 and 2008. The trustees have adopted the provisions of the Statement of Recommended Practice – Accounting and Reporting by Charities 2005 in preparing this annual report and financial statements.

Structure, Governance and Management

After Mrs. Hunt's death in 1878, the Homes were maintained by her family until 1901 when their administration was taken over by Trustees appointed from the parish of Godstone under a Deed Poll dated 4th January 1901. This states that the Homes should be used to accommodate "aged or infirm persons of good character", preference being given to those applicants residing in the parish of Godstone or having some longstanding connection with it.

The Homes are a Registered Charity (no. 206075), members of The National Association of Almshouses and English Heritage.

The Homes have also historically been known as Augusta Nona Hunt for Almshouses. The chairman of Trustees is designated to be the Rector for the time being of the Parish of Godstone and both the Rector and the two churchwardens of the Parish are appointed ex-officio. Other new trustees, including the Honorary Secretary, are appointed at the discretion of the current trustees. The trustees recognise the need for the appropriate induction of new trustees and the training of existing trustees.

The organisational structure of the charity is that the day to day running of the Homes is in the hands of the Honorary Secretary and the Honorary Treasurer with specified tasks being assigned by the board of trustees to individual trustees on a needs basis. The trustees meet twice a year as a minimum in the spring and the autumn. At the spring meeting the trustees consider the budget for the year to the following 31 December and set maintenance contribution levels for the year commencing 1 April.

The trustees are delighted to welcome the Rev Peter O'Connell as the new chairman of trustees with effect from 17 November 2016.

Risks

The trustees review the risks to which the charity is exposed on a continuing basis and have and will continue to establish systems to seek to mitigate those risks.

It is considered that the primary risk facing the Homes is the likelihood in the future that it will be impossible to find suitable residents who will regard the Homes as an attractive place to reside. This would have a profound economic impact on the viability of the Homes.

The trustees have adopted a Disaster Recovery Plan which has been circulated to all those who might be called upon to help in the event of an emergency. This plan is updated as necessary.

Insurance cover is reviewed on an annual basis. During 2017 it is proposed to undertake a new professional valuation of the Homes for insurance purposes.

Objectives and activities

In accordance with the spirit of the founding documents, the objects of the charity are still to provide sheltered accommodation to single persons or couples in need who are able to maintain themselves, at an affordable price in a peaceful and supportive environment. Wherever possible preference being given to applicants who have a connection with Godstone and its environs.

Achievement and Performance

There have been some vacancies at the Homes during the year but fortunately these have been reasonably short lived.

The financial results for the year have been satisfactory.

During the year Flats 4 and 5 have had a modest refurbishment. These costs, other repairs and the cost of an architectural survey are more fully set out on page 7 of the accounts. All these costs have been met from the current year's income without recourse to reserves.

Financial Review

Financial position for the year:

The financial position of the Homes as at 31 December 2016 remains satisfactory. There is a surplus for the year of £3,907.

Reserves policy:

The majority of the assets held by the charity are endowed funds. The remainder of reserves comprise funds which have been built up and authorised at rates approved by the Almshouse Association and the Charity Commission. These funds comprise an Extraordinary Repair Fund ("ERF") and a Cyclical Maintenance Fund ("CMF"). Although the fully authorised amount capable of transfer to the ERF has always been achieved, this has not always been possible for the CMF due to limited resources. It is the policy of the Trustees to maximise available reserves commensurate with, firstly, likely future maintenance requirements and, secondly, keeping residents' weekly contributions at an acceptable level. During 2015 a General Reserve of £15,000 was created and these funds have been invested as shown in the accounts at page 10.

Investment policy:

The investment policy adopted by the trustees is to seek to secure a balance between maximising income to supplement residents' weekly contributions whilst maintaining and enhancing capital values to keep pace with inflation and the likely future costs of ensuring the objects of the charity are achievable and sustainable in the future.

Realised and unrealised gains on investments in the year are more fully set out in the accounts. 2016 has seen a marked increase in investment values in line with market indices.

The trustees have adopted a policy to invest primarily in charitable status common investment funds and OEICs with a view to spreading risk and avoiding costly investment management charges. The trustees keep this policy under review and also do not currently have a policy to invest taking social, environmental or ethical considerations into account. As some providers are reducing their common investment fund offerings it is expected that there will be a realignment of some investment holdings in 2017.

Equivalent Fair Rents

In May 2016 the Valuation Office Agency visited the Homes in order to evaluate appropriate open market rental values for the flats. Equivalent fair rents for the flats including services were estimated as follows;

Flats 1-6	£165 per week
Flat 8	£220 per week
Flat 9	£220 per week

The contributions currently required by residents are substantially below these levels.

Plans for the Future

The Trustees are aware of the need for continual improvement to the standard of accommodation in order to maintain a high occupancy level thereby ensuring the viability of the Homes. It is intended to continue with the policy of improving the facilities of the Homes as and when opportunities occur and funds permit. During 2017 it is proposed to undertake what may prove to be expensive work to upgrade the current water delivery system to each flat.

By Order of the Trustees

Andrew Turner
Honorary Treasurer

8 January 2017

Notes to Accounts

1. Accounting policies: These accounts have been prepared on the accruals basis under the historical cost convention and in accordance with, except where specifically stated, The Charities (Accounts and Reports) Regulations 2005 and 2008 and the Charities SORP 2005 (Statement of Recommended Practice - Accounting and Reporting by Charities).
2. The land and listed buildings comprising St. Mary's Homes are inalienable and historic freehold tangible fixed assets which are not included in the accounts contrary to SORP 2005 para 253. These assets were gifted to the original Trustees over 100 years ago and the Trustees do not believe that a current value placed upon them is necessary for a proper appreciation of these accounts. They are valued for insurance purposes at £2,553,502.

The title to the Homes remains unregistered at the Land Registry. On 12 June 1956 the Homes and accompanying land were vested in the Official Custodian for Charities. This Order together with the original Deed of Gift (Deed Poll) of 1901 are held on behalf of the trustees by Dollman & Pritchard.

3. None of the investments are irredeemable and where applicable redemption dates are shown in the accounts. All investment funds are normally valued on a mid-market basis.
4. Following the disinvestment policy of the Official Custodian for Charities, investments are held directly to the order of the Homes.
5. The Homes have no employees.
6. During the period reimbursed expenses and costs incurred by the trustees, the officers of the charity and the independent examiner did not exceed £1,000.
7. Provisions for the Extraordinary Repair Fund and the Cyclical Maintenance Fund are in accordance with the recommended scale laid down by the Charity Commissioners.
8. There are no loans outstanding.
9. Fixed assets comprise endowed investment funds which arise from generous bequests received in the past as follows;

Augusta Nona Hunt Bequest
Robert and Marie Lindley Fund
Parker Smith Fund
Mary Stubbings Gift
Brazier Gift
Robert Goodwin Steer Memorial Fund
Miss Lindley Bequest

10. Current assets comprise general unrestricted funds of the Homes together with the Extraordinary Repair Fund and the Cyclical Maintenance Fund. The Extraordinary Repair Fund is used for exceptional repairs and refurbishments and building works. The Cyclical Maintenance Fund is used for repairs and renovations of a recurring and cyclical nature.

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ST. MARY'S HOMES

I report on the accounts of the Homes for the year ended 31 December 2016 which are attached.

Respective responsibilities of trustees and examiner

As the charity's trustees you are responsible for the preparation of the accounts; you consider that the audit requirements of Section 144 of the Charities Act 2011 (the Act) does not apply. It is my responsibility to state, on the basis of the procedures specified in the General Directions given by the Charity Commissioners under Section 145(5)(b) of the Act whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:-

- to keep accounting records in accordance with Section 130 of the Act; and
- to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Act

have not been met, other than in respect of the exclusion of tangible historic fixed assets commented on in Note 2 to the Accounts, or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed

Name M. W. SWINYARD

Address: Beech House
Park View Road
Woldingham
Surrey CR3 7DH

Date

STATEMENT OF FINANCIAL ACTIVITIES TO 31 DECEMBER 2016 (continued)

	<u>Notes</u>	General Fund (Unrestricted)	Cyclical Maintenance Fund (Unrestricted)	Extraordinary Repair Fund (Unrestricted)	Endowment Fund (Restricted)	<u>Total</u>	<u>2015</u>
<u>Expenditure</u>							
Visiting Warden Service		692.12				692.12	1,259
Responsible Resident Fees		1,509.77				1,509.77	1,496
Electricity		3,292.25				3,292.25	3,759
Gas		7,385.11				7,385.11	7,968
Water Rates		1,925.41				1,925.41	1,799
Insurance		1,838.65				1,838.65	1,964
Repairs and Renovations							14,452
- boiler repairs		1,419.27				1,419.27	
- refurbishment flat 4		1,342.00				1,342.00	
- refurbishment flat 5		1,284.94				1,284.94	
- architectural survey		1,711.37				1,711.37	
- general		2,591.44				2,591.44	
Security Systems		1,460.35				1,460.35	1,397
Garden		2,044.20				2,044.20	2,409
Almshouse Association Subscription		158.00				158.00	156
Training		330.00				330.00	
Sundries		411.00				411.00	355
Resources Expended		<u>£29,395.88</u>	<u> </u>	<u> </u>	<u> </u>	<u>£29,395.88</u>	<u>£37,014</u>
<u>Transfers between Funds</u>	(Note 7)						
Extraordinary Repair Fund allocation		5,236.00		-5,236.00			
Cyclical Maintenance Fund allocation		8,998.00	-8,998.00				
Total Expenditure		<u>£43,629.88</u>	<u>-£8,998.00</u>	<u>-£5,236.00</u>	<u> </u>	<u>£29,395.88</u>	<u>£37,014</u>

STATEMENT OF FINANCIAL ACTIVITIES TO 31 DECEMBER 2016

	General Fund (Unrestricted)	Cyclical Maintenance Fund (Unrestricted)	Extraordinary Repair Fund (Unrestricted)	Endowment Fund (Restricted)	Total	2015
Income & Expenditure						
Income:						
Residents Contributions	40,238.39				40,238.39	41,078
Donations and Legacies						3,305
- Jeffery Dunbar memoriam	210.00				210.00	
Sale of mower	180.00				180.00	
Chapel Collection Box	448.28				448.28	239
Bank Interest	0.62				0.62	2
Dividend Income	6,460.29	3,096.57	1,734.37		11,291.23	11,111
Incoming Resources	<u>£47,537.58</u>	<u>£3,096.57</u>	<u>£1,734.37</u>	<u>-</u>	<u>£52,368.52</u>	<u>£55,735</u>

STATEMENT OF FINANCIAL ACTIVITIES TO 31 DECEMBER 2016 (continued)

	<u>Notes</u>	<u>General Fund</u> <u>(Unrestricted)</u>	<u>Cyclical Maintenance</u> <u>Fund (Unrestricted)</u>	<u>Extraordinary Repair</u> <u>Fund (Unrestricted)</u>	<u>Endowment Fund</u> <u>(Restricted)</u>	<u>Total</u>	<u>2015</u>
Net Income/(Expenditure) for the Year		3,907.70	12,094.57	6,970.37		22,972.64	18,721
Gains and losses on re-valuation of investments	(Note 3)	3,348.00	10,338.00	4,744.00	19,338.00	37,768.00	(2,220)
Gains and losses on investment disposals			1,052.00			1,052.00	
Net movement in funds for the year		<u>7,255.70</u>	<u>23,484.57</u>	<u>11,714.37</u>	<u>19,338.00</u>	<u>61,792.64</u>	<u>16,501</u>
Fund balances brought forward		<u>31,789.51</u>	<u>111,746.14</u>	<u>74,456.75</u>	<u>190,526.06</u>	<u>408,518.46</u>	<u>392,017</u>
Fund balances carried forward		<u>£39,045.21</u>	<u>£135,230.71</u>	<u>£86,171.12</u>	<u>£209,864.06</u>	<u>£470,311.10</u>	<u>£408,518</u>

Signed for and on behalf of the Trustees

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Date

INVESTMENT FUNDS

FUND	NO.	INVESTMENT	COST	M/V 31.12.15*	M/V 31.12.16	UNREALISED GAINS/ (LOSS) IN YEAR	REALISED GAINS/ (LOSS) IN YEAR
ENDOWED	1,648.49	Charifund Income Units	14,062	23,637	25,311	1,674	
	8,393.481	Charishare Units	15,696	44,267	49,429	5,162	
	11,364.47	CAF Fixed Interest Fund Units	10,464	11,369	11,643	274	
	34,555.45	CAF UK Equity Fund Units	15,696	47,154	50,464	3,310	
	25,380.71	Barings Targeted Return Fund Units	15,000	28,324	29,086	762	
	10,844.42	Schroders Charity Equity Fund Units	15,000	35,775	43,931	8,156	
		SUB TOTAL	<u>£85,918</u>	<u>£190,526</u>	<u>£209,864</u>	<u>£19,338</u>	<u>NIL</u>
GENERAL	10,849.12	CAF International Equity Fund Units	<u>£15,000</u>	<u>£15,108</u>	<u>£18,456</u>	<u>£3,348</u>	<u>NIL</u>
	569.34	COIF Charities Investment Fund Units	5,566	7,022	7,824	802	
EXTRAORDINARY REPAIR FUND	2,785.36	COIF Charities Deposit Fund Units	15,761	15,761	15,761		
	19,056.334	CAF UK Equity Fund Units	18,491	26,004	27,830	1,826	
	10,379.403	CAF Fixed Interest Fund Units	11,188	10,383	10,634	251	
	1,420.86	Schroders Charity Equity Fund Units	5,000	4,687	5,756	1,069	
	9,940.36	Aberdeen Charity Select Bond Fund Units	10,000	10,600	11,396	796	
		SUB TOTAL	<u>£66,006</u>	<u>£74,457</u>	<u>£79,201</u>	<u>£4,744</u>	<u>NIL</u>
CYCLICAL MAINTENANCE FUND	2,537.54	COIF Charities Investment Fund Units	22,029	31,300	34,872	3,572	
	4,874.78	COIF Charities Deposit Fund Units	15,381	15,381	15,381		
	2,925.98	JP Morgan UK Equity Fund Units					192 ^
	5,432.91	JP Morgan Charity Bond Fund Units					860 ^^
	14,910.54	Aberdeen Charity Select Bond Fund Units	15,000	15,900	17,093	1,193	
	9,923.27	Aberdeen Charity Global Equity Fund Units	15,000	14,378	18,570	4,192	
	14,245.02	Schroder Charity Multi-Asset Fund Units	7,000	7,079	7,544	465	
	5,700.17	Newton Growth and Income Units	6,000	6,233	6,850	617	
	3,685.50	HSBC Common Fund for Growth Units	6,000	5,933	6,232	299	
		SUB TOTAL	<u>£86,410</u>	<u>£96,204</u>	<u>£106,542</u>	<u>£10,338</u>	<u>£1,052</u>
		TOTAL	<u>£253,334</u>	<u>£376,295</u>	<u>£414,063</u>	<u>£37,768</u>	<u>£1,052</u>

* adjusted for purchases and sales during the year

^ gain since acquisition £4,307

^^ gain since acquisition £1,130

BALANCE SHEET AS AT 31 DECEMBER 2016

	Notes	£	£	2015 £
<u>Fixed Assets</u>				
Investments at market value	(Note 9)		209,864.06	190,526
<u>Current Assets</u>				
Investments at market value		204,199.86		177,828
Debtors and prepayments		1,419.16		887
Cash at Bank		60,260.18		43,299
		<u>265,879.20</u>		<u>222,014</u>
<u>Current Liabilities</u>				
Creditors: amounts falling due within one year		<u>5,432.16</u>		<u>4,022</u>
Net Current Assets	(Note 10)		260,447.04	217,992
		<u>£470,311.10</u>	<u>£408,518</u>	
<u>Funds represented by:</u>				
Restricted Funds				
Endowment Fund			209,864.06	190,526
Unrestricted Funds				
Emergency Repair Fund		86,171.12		
Cyclical Maintenance Fund		135,230.71		
General Fund		<u>39,045.21</u>		
			260,447.04	£217,992
		<u>£470,311.10</u>	<u>£408,518</u>	