

TIVERTON ALMSHOUSE TRUST  
FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2018

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REPORT OF THE CORPORATE TRUSTEE  
FOR THE YEAR ENDED 31 DECEMBER 2018

The Corporate Trustee submits its annual report and audited financial statements for the year ended 31 December 2018.

## **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 from charitable activities and other income was £854,720. The total expenditure was £744,508 leaving a surplus of £110,212. This compares to an income of £853,115, an expenditure of £643,846 and a surplus of £209,269 for the previous year.

The increase in the costs of repairs and maintenance this year was primarily as a result of significant building work to The Market House.

## **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).

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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 lack of voids and the 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 lack 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, and local voluntary agencies such as Age UK and local 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 specific 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.

At any one point in time, 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 redecoration or refurbishment required before it is occupied). The National Almshouse Association considers that a 7.5% void rate is acceptable given the specific beneficiary group almshouses serve. That would indicate that six of the Trust's properties could be void at any one time. In practice, there were no voids during the year.

During 2018 ten vacancies arose (seven in 2017). Following redecoration all ten were occupied within six weeks.

#### Properties

In total there are eighty-three almshouses and three units occupied by the two Resident Wardens and the House Manager. The almshouses are provided on three geographically separate sites within Tiverton, namely: Greenway Gardens, King Street; Sles, Angel Terrace; and John Greenway Close, Gold Street. The accommodation is designed for independent living although, as residents get older, the Trust continues to support them as long as possible and 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.

2. **ACHIEVEMENTS AND PERFORMANCE**

Maintaining Properties

The Charity Commission Scheme clearly 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) increased by £105,527 to £728,287 in 2018 primarily as a result of essential programmed property maintenance. Note 4 to the Financial Statements provides a comparison and more detail is provided below. In 2018, 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 (an exercise in assessing comparative fee quotes for employee agent work having been undertaken in 2016). 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 twice – by the Administrator and Chief Executive before signing by Directors.

At the end of the year all almshouse properties were occupied and all commercial properties were occupied.

Maintenance of almshouse properties

Of the £728,287 total operating costs for all properties (investment properties and almshouses combined) £130,149 was spent on almshouse maintenance by way of programmed works, general redecoration and, where necessary redecoration and refurbishment of the ten flats that became vacant. This compares with £131,500 for the previous year. Within the programmed works are two rolling programmes, namely: boiler replacement and bath replacement with showers at John Greenway Close. Over the year one of the communal boilers serving Carpenter Building (11 almshouses) was replaced (£22,000) and one ground-floor vacant unit at John Greenway Close had a bathroom and kitchen refit (at a cost of £12,961 including fittings and complete redecoration of the flat and new carpets) and one further vacant unit at John Greenway Close had a bathroom refurbishment in accordance with the approved Trust policy to change all ground floor bathrooms to shower rooms.

The redecoration of the other eight vacant almshouses accounted for £16,536 of the £131,149 above. On average £1900 is spent on redecorating and re-carpeting a vacant flat, if required. Work is carried out by one of three regular decorating companies and quotes are required before work commences. For routine work quotes are not always asked for to avoid sub-contractors receiving more refusals than awards and, as a result, not wishing to quote again. Costs are generally correctly anticipated in value and the received quote is judged against experience.

Unplanned work consisted of fitting a new safety balustrade in the garden at the historically listed building known as Slee's almshouses (£6600) and the replacement of a complete boundary fence at John Greenway Close that fell during a winter storm (£6000).

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 approximately £6000 in 2018 (£8000 in 2017) and to check fire detection systems the cost is annually £2048 (£3500 in 2017). 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.

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The Trust has joined a benchmarking group this year in order to compare the annual costs of running the almshouse properties with similar almshouse charities and small housing associations across the country. Results will be reported in the annual report for 2019.

### Investment property maintenance

Planned repairs and maintenance works for the investment properties included three new domestic boilers in the shorthold assured let flats in Bampton Street (just over £12,000) and some re-rendering work to retail units in Bampton Street (just over £7,500). The most significant programmed expenditure was the essential replacement of the 1990 quad at first floor level of The Market House (which provides the flat roof over the shops below) for the sum of just over £90,000. This sum included additional works to re-roof and insulate an area of roof to the offices, redecorating and re-carpeting. Works took three months and the contract administrator (Assinder Turnham) also carried out the specification and tender processing elements of the contract.

Additional works in the sum of £3600 included finalising the safety works to the staircase from 2017 at Raymond Penny House and re-carpeting (as reported last year).

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 tenable repair. In 2018 the routine and cyclical maintenance expenditure for the Trust on these properties was just over £120,000 primarily consisting of servicing and general repairs and including the planned works above.

### 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 £113 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

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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 2017. WMC was kept to £1per 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.

Despite the RSH blanket mandate to enforce a year on year reduction in rents for all registered social housing providers from 2016, almshouse providers were excluded.

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 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 although further improvements can always be made in this regard (see approved five year plan below). Innovative ways to widen the search for applicants are put in place 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. A stall was held in the weekly market for one day and public open mornings were held on both sites. 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 would have been expected a few years ago. Social care is now provided at home and hospital admissions generally reserved for emergencies which means that care agencies and health professionals are frequently on site.

The Trust has extensively recorded its intention to provide further accommodation for those residents requiring extra-care who are unable to remain in an almshouse due to lack of mobility or increased long-term care requirements. Since 2015, the report to the financial statements has included, within the Future Plans section:

“To continue to support the Abbeyfield Society in the redevelopment of Alexandra Lodge for an extra-care development and to consider the lease-back of a number of units for Trust beneficiaries.”

#### 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, whilst Directors are keen to pursue this opportunity, they are also minded to investigate alternatives in order to maximise the positive impact of the charity on current and future beneficiaries, especially regarding extra care.

#### 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.

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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.

**The National Almshouse Association**

The Chief Executive is a board member of The National Almshouse Association and was elected Chairman for three years commencing June 2017. In addition to Chairman, she is also a member of the Finance & General Purposes Sub-committee of the Association and as such attends a total of eight, planned, board and sub-committee meetings and a limited number of additional unplanned meetings each year. Travelling expenses for the quarterly board and quarterly sub-committee meetings are partially reimbursed by the Corporate Trustee. The balance of the travelling expenses and any overnight expenses are paid for personally by the Chief Executive and/or the Association. The Corporate Trustee considers that the contribution to the Chief Executive's expenses is justified on the basis that there is a valuable sharing of information which benefits the Trust.

A seminar took place in November, hosted by Tiverton Almshouse Trust on behalf of The National Almshouse Association and was attended by forty-eight representatives from almshouse charities in the West Country. The seminar was chaired by the Chief Executive with a speaker from DataHelp on the new General Data Protection Regulations (GDPR). All costs are recouped from individual charities who paid a nominal charge of £18 per head. The exchange of information and best practice is considered to be of great benefit to all.

3. **FINANCIAL REVIEW**

This year the Corporate Trustee reviewed 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. Specifically, funds are 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. 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 (around £375,000), 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 almshouse accommodation or additional commercial investment property. The latter is particularly relevant this year given the falling yields from the investment portfolio held as shares and equities.

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 three 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.

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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. In recent years there has been particular emphasis on comparing interest rates achieved with those paid out on the mortgage especially towards December 2017 when one of the three mortgage accounts reached maturity. Falling rates led to the decision to pay-off £433,000 of the loan as that account matured on 30 November 2017 and the Reserves Policy allows for an additional sum to be paid off at any time, should the market conditions turn. This is reviewed regularly, and at the very minimum, once a year in November when the Investment Review takes place.

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. Essentially this would be companies who seek to make people homeless. Given this limited restriction, which would be difficult to monitor and enforce, it was decided not to impose ethical restrictions. 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 £3933 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.

The financial statements show total operating costs exceeded income from almshouses by £227,239 but this does not provide a true picture of financial sustainability as the operating costs include non-almshouse properties (see the section on maintenance above). A truer picture of income and expenditure is therefore gained by adding the turnover from the almshouses (£501,048) and income from investment properties/assets (£353,672) and comparing that total with the operating costs. To do this would show an income of £854,720 for 2018 against operating costs of £728,287 leaving a surplus of £110,212 for the year after interest charges (£16,221). This is a decrease of £99,057 on the previous year mainly due to a planned increase in expenditure on programmed works (see above).

Operating costs (note 4) show some marked changes from the previous year mainly as a result of the programmed maintenance work on The Market House which resulted in an increase in professional fees for surveyor fees and contract administration. The increase in office running costs of £9,000 was as a result of a computer upgrade and re-carpeting the office following the building works. The increase in donations has been addressed (see above). The modest increase in staff costs is as a result of employer pension contributions (5%) and inflationary increase on salaries.

The income from fixed asset investments (shareholdings and deposits) increased by £4,699 over the year despite the income yield from the managed portfolio (valued at £1.177m) showing a reduced 1.07% return (the bespoke benchmark being 1.12%). This was a reflection of the current economic climate and the markets in general and was discussed at length during the Board's review of investments in November 2018. The forecast was for an increase in income which is estimated to be around 2.6%. The Board decided to leave the asset allocation and level of funds invested unchanged. The annual total return on the managed portfolio fell to -4.9% and this is reflected in Note 14 (unrealised loss of £193,237). Investec, fund managers, anticipate this will increase to 4.9% over the year 2019.

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 by £31,311 to £61,693.



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Rents receivable from investment properties (see Note 9) have mirrored the previous year at £264,049 mainly as a result of a stagnation in the market. 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. Nevertheless, at the year-end there were no commercial voids.

Professional valuations are undertaken on a five-year rolling programme and this year took place on John Greenway Close, The Market House and 24 & 26 Westexe. John Greenway Close increased in value by £50,000, The Market House by £5,000 and the two Westexe properties by £47,500. Given the new accounting procedures, The Market House valuation was split into two: retail and the Trust's offices (£350,000 and £75,000 respectively). Informal valuations were undertaken by the Corporate Trustee on all remaining investment properties and kept at 2017 levels. It should be noted that the increase in valuations is not easily identified within the Notes or Statement of Financial Position due to the fact the £75,000 for the office element of the Market House is now within "Other Tangible Fixed Assets" (Note 13).

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 decreased by £24,828 to £8.25m reflecting the reduced valuations from investments held (Note 20). Expendable endowment has decreased by £6,098 to £712,899 for the same reasons.

Other Reserves of £1,332,230 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 a reduction in the annual interest payment for the year of £6,494 to £14,592 and a reduction in the value of the outstanding mortgage of just under £30,000 to £672,962. 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.

The five year plan translated into the following annual plan and achievements for 2018:

- i. To refurbish the bathrooms within vacant ground floor flats at John Greenway Close to shower rooms. Within the year two units were refurbished. This was considered too slow and 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 etc). The replacement of the Tunstall emergency call system has been budgeted for 2019 and telecom work in preparation was undertaken in 2018. Weekly mid-day meals which were piloted in 2018 have remained popular and are now a permanent social fixture.

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- iii. To progress to a legal agreement with Abbeyfield for the lease back of units on the extra-care development. Progress is dependent upon Abbeyfield and has been slow during 2018. During the consideration of the Reserves Policy, Directors decided to widen the search for redevelopment opportunities for additional almshouses and this has become the focus for 2019.
- iv. 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.
- v. An initial feasibility into the provision of lifts was undertaken to assist residents at first-floor level as ground-floor accommodation is at a premium but the idea was subsequently dismissed as not representing value for money given the cost and limited impact.

**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 eleven out of 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	9 May 2017 Reappointed	Retired Teacher and Businesswoman
John A Pulford	Vice-Chair	14 May 2013 Reappointed	Retired Local Government Officer

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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
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 2013 Reappointed	Retired Chaplain
Robert J Cumes	Director	3 May 2016 Reappointed	Retired Operations Manager

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

Wallace Burke	Director	25 May 2015 Nominated	Town Councillor
Gerald Luxton	Director	25 May 2015 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
Sue Coffin	Accounts/Estates Administration
Lisa Brooks	House Manager
Helen Evans	Secretary/Receptionist
John Billington	Handyman/Gardener
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 Management, 16 Dix's Field, Exeter, Devon
Commercial surveyors:	Mettam Ware, 15A Fore Street, Tiverton
Property Surveyors:	Assinder Turnham, 6/7 Southernhay West, Exeter, EX1 1JG

### 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 August 2015 and is due for revision 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 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 and data protection.

The Almshouse Association provides the most relevant and practical forum for Directors and staff training. The Chief Executive attended a seminar in September 2018 at Yardley Great Trust, Birmingham, held for larger members of the Almshouse Association where legal updates are provided.

REPORT OF THE CORPORATE TRUSTEE  
FOR THE YEAR ENDED 31 DECEMBER 2018

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.

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 has recently joined Acuity Benchmarking Group for small social housing providers and is due to submit figures at the financial year end (April 2019). Results are to be published in June that year allowing the VFM report in the 2019 Financial Statements to include comparisons to peer groups. This year there can be no peer group comparisons with Acuity members although contrast can 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 2018 and currently operates 83 social housing units. The measure for The Trust in 2018 is 3.3% and identical to the measure in 2017. 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.

REPORT OF THE CORPORATE TRUSTEE  
FOR THE YEAR ENDED 31 DECEMBER 2018

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 £672,962 at 31 December 2018 representing a gearing of 16.8%. The board is not proposing to take on any further loans in 2019 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 7.19%.
5. Social housing cost per unit The Trust's social housing cost per unit for 2018 was £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 2018 was 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 was 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 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 (such as the blanket recent reduction in social housing rents prior to the almshouse exemption).
  - b. Maximising the positive impact upon beneficiaries but ensuring this is within the parameters of the Charity's objects (such as funding extra-care placements through the Alexandra Lodge project).
  - 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.
  - 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 2018

- 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 Chief Executive and regularly updated throughout the year in a working file. Fire risk assessments are carried out annually by the Chief Executive and every three years professionally.

A comprehensive list of policies and procedures is reviewed on a 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 introduced in 2017 as an annual event. Residents are encouraged to ask questions and provide feedback and once a year the next year's draft annual plan is discussed. 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 Almshouse Association.

REPORT OF THE CORPORATE TRUSTEE  
FOR THE YEAR ENDED 31 DECEMBER 2018

**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:

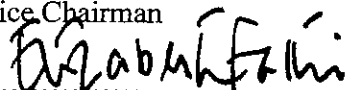
- there is no relevant audit information of which the charity's auditors are unaware; and
- it has taken all the steps that it ought to have taken as corporate trustee in order to make itself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved at a meeting of the corporate trustee held on.....

Signed on its behalf by :

  
 Chairman

.....  
 Vice Chairman

  
 Clerk & Treasurer



16  
TIVERTON ALMSHOUSE TRUST  
STATEMENT ON INTERNAL CONTROL SYSTEMS  
YEAR ENDED 31 DECEMBER 2018

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 2018 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.

17  
TIVERTON ALMSHOUSE TRUST  
CORPORATE TRUSTEES' RESPONSIBILITIES STATEMENT  
YEAR ENDED 31 DECEMBER 2018

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 2015. 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 2018 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 2018 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 2015.

**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: 22/5/19

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

21  
**TIVERTON ALMSHOUSE TRUST**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**  
**YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>Turnover</b>	2	501048	497115
Less: Operating costs	4	728287	622760
<b>Operating deficit</b>	5	(227239)	(125645)
Income from fixed asset investments		65397	60698
Interest receivable and similar income	9	288275	295302
Interest payable and similar charges	10	(16221)	(21086)
<b>Surplus on ordinary activities for the year before tax</b>		110212	209269
Tax on surplus on ordinary activities		-	-
<b>Surplus for the year after tax</b>		110212	209269
Revaluation of tangible fixed assets		102500	10000
Profit on disposal of tangible fixed assets		-	-
Revaluation of investments		(193237)	212843
<b>Total comprehensive income for the year</b>		19475	432112

Signed on behalf of the corporate trustee on 14 May 2019

Sharon J. P. M. Director  
[Signature] Director

The annexed notes form part of these financial statements.

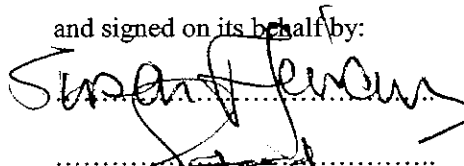
**TIVERTON ALMSHOUSE TRUST**  
**STATEMENT OF FINANCIAL POSITION**  
**YEAR ENDED 31 DECEMBER 2018**


	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Housing properties at valuation	11		3985000		3935000
Investment properties	12		2877500		2900000
Other fixed assets	13		76949		3897
Investments	14		2761259		2805067
			<u>9700708</u>		<u>9643964</u>
<b>Current assets</b>					
Debtors	15	26790		27029	
Cash at bank and in hand			<u>1324456</u>		<u>1381094</u>
			1351246		1408123
<b>Creditors: amounts falling due within one year</b>	16		<u>110759</u>		<u>100824</u>
<b>Net current assets</b>			1240487		1307299
<b>Total assets less current liabilities</b>			<u>10941195</u>		<u>10951263</u>
<b>Creditors: amounts falling due after more than one year</b>	17		642962		672505
			<u>10298233</u>		<u>10278758</u>
<b>Capital and reserves</b>					
Permanent endowment	20		8253104		8277932
Expendable endowment	20		712899		718997
Restricted reserves	20		-		-
Income and Expenditure reserves	19		1332230		1281829
			<u>10298233</u>		<u>10278758</u>

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

14 May 2019

and signed on its behalf by:

 Director

 Director

The annexed notes form part of these financial statements.

TIVERTON ALMSHOUSE TRUST  
STATEMENT OF CHANGES IN EQUITY AND RESERVES  
YEAR ENDED 31 DECEMBER 2018

	Permanent Endowment £	Expendable endowment £	Restricted reserves £	Other Reserves £	Total £	2017 £
At 31 December 2017	8277932	718997	-	1281829	10278758	9846646
Surplus for year				110212	110212	209269
Profit on disposal of tangible fixed assets						-
Revaluation of tangible fixed assets	102500				102500	10000
Revaluation of investments	(119925)	(40828)		(32484)	(193237)	212843
Total comprehensive income	(17425)	(40828)	-	77728	19475	432112
Transfers	(7403)	34730	-	(27327)	-	-
At 31 December 2018	8253104	712899	-	1332230	10298233	10278758

The annexed notes form part of these financial statements.



**TIVERTON ALMSHOUSE TRUST**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>Net cash flow from operating activities</b>	26	<b>(276037)</b>	<b>(153671)</b>
<b>Cash flow from investing activities</b>			
Rents received from investment properties		264049	264704
Payments to acquire tangible fixed assets		-	(5845)
Receipts from sales of tangible fixed assets		-	-
Payments to acquire investments		-	-
Proceeds from sale of investments		34453	155811
Purchase of investments		(100548)	(165633)
Interest received		23453	25423
Dividends received		65397	60698
<b>Net cash flow from investing activities</b>		<b>286804</b>	<b>335158</b>
<b>Cash flow from financing activities</b>			
Repayment of long term loans		(44134)	(489559)
<b>Net cash flow from financing activities</b>		<b>(44134)</b>	<b>(489559)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(33367)</b>	<b>(308072)</b>
<b>Cash and cash equivalents as at 1 January 2018</b>		<b>1387840</b>	<b>1695912</b>
<b>Cash and cash equivalents as at 31 December 2018</b>		<b>1354473</b>	<b>1387840</b>
<b>Cash and cash equivalents consist of:</b>			
Cash at bank and in hand		1324456	1381094
Cash held as part of investment portfolio		30017	6746
		<b>1354473</b>	<b>1387840</b>

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 2014, and with the Accounting Direction for private registered providers of social housing in England 2015, 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 2018**

**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

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**TIVERTON ALMSHOUSE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2018**

**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.

**2 SOCIAL HOUSING TURNOVER AND COSTS**

	2018	2017
	£	£
Rents receivable excluding service charges	403175	396504
Service charges receivable	101244	101478
Rent and service charge losses from voids	(5751)	(3242)
Guest room income	2380	2375
	<u>501048</u>	<u>497115</u>

**3 UNITS IN MANAGEMENT**

	2018	2017
Social housing for older people	83	83
Warden accommodation	3	3
	<u>86</u>	<u>86</u>

**TIVERTON ALMSHOUSE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2018**

**4 OPERATING COSTS**

	2018 £	2017 £
Estate management costs:		
Wages and salaries	57713	56127
Estate costs		
Repairs and maintenance	301302	240771
Professional fees	6980	14537
Investment management fees	8253	8294
Utilities	112125	110783
Insurance	12969	12392
Sundry expenses	4846	4323
Administrative costs		
Wages and salaries	138237	130697
Office running costs	28534	18799
Accountancy and audit fees	12177	10509
Professional fees	28788	9073
PI insurance	607	648
Subscriptions	3008	1822
Bank charges	800	773
Donations	10000	1000
Depreciation – Other fixed assets	1948	2212
	<u>728287</u>	<u>622760</u>

**5 OPERATING DEFICIT**

	2018 £	2017 £
Operating deficit is stated after charging:		
Operating leases - other assets	<u>740</u>	<u>740</u>

**6 AUDITORS' REMUNERATION**

	2018 £	2017 £
Audit services	6000	6000
Non audit services	6177	4509
	<u>12177</u>	<u>10509</u>

TIVERTON ALMSHOUSE TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED 31 DECEMBER 2018

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

	2018 £	2017 £
The aggregate emoluments payable to key management personnel	67044	65736

The chief executive is included in the charity's defined contribution pension scheme and is an ordinary member of the scheme. No enhanced or special terms apply. During the period the total amount contributed to the individual pension arrangement was £2701 (2017 £1763).

During the year mileage of £149 was paid to the chief executive (2017: £Nil).

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

**8 EMPLOYEE INFORMATION**

	2018	2017
The average number of persons employed during the year expressed in full time equivalents (16 hours or more per week) was:		
Office staff	4	4
Wardens, cleaners and handyman	4	4
	<u>8</u>	<u>8</u>
	£	£
Staff costs (for the above persons)		
Wages and salaries	175988	169513
Social Security costs	11937	11354
Other pension costs	8025	5957
	<u>195950</u>	<u>186824</u>

During the year one employee earned between £60000 and £70000 (2017: One employee).

**9 INTEREST RECEIVABLE AND SIMILAR INCOME**

	2018 £	2017 £
Rents receivable from investment properties	264049	264704
Interest received	23453	25423
Realised gain on the disposal of investments	-	5077
Miscellaneous income	773	98
	<u>288275</u>	<u>295302</u>

**10 INTEREST PAYABLE AND SIMILAR CHARGES**

	2018 £	2017 £
Mortgage interest	14592	21086
Realised loss on the disposal of investments	1629	-
	<u>16221</u>	<u>21086</u>

**TIVERTON ALMSHOUSE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2018**

**11 TANGIBLE FIXED ASSETS - HOUSING PROPERTIES**

	Housing Properties for letting	Total
	£	£
<b>VALUATION</b>		
At 31 December 2017	3935000	3935000
Revaluation	50000	50000
At 31 December 2018	<u>3985000</u>	<u>3935000</u>
<b>NET BOOK VALUE</b>		
At 31 December 2018	<u>3985000</u>	<u>3985000</u>
At 31 December 2017	<u>3935000</u>	<u>3935000</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 John Greenway Close, Tiverton was valued as at 31 December 2018 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 2017, as augmented by the RICS Valuation - Professional standards UK, January 2014 (Revised April 2015) 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 2018.

Cost or valuation is represented by:

	2018 £	2017 £
Historical cost	4288895	4288895
Revaluation	<u>(303895)</u>	<u>(353895)</u>
	<u>3985000</u>	<u>3935000</u>

Revaluation:

	2018 £	2017 £
Balance as at 31 December 2017	(353895)	(353895)
Revaluation	50000	-
Balance as at 31 December 2018	<u>(303895)</u>	<u>(353895)</u>

Expenditure on works to existing properties:

	2018 £	2017 £
Amounts charged to income and expenditure account	<u>301302</u>	<u>240771</u>

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TIVERTON ALMSHOUSE TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED 31 DECEMBER 2018

**12 TANGIBLE FIXED ASSETS – INVESTMENT PROPERTIES**

	Investment properties	Total
	£	£
<b>VALUATION</b>		
At 31 December 2017	2900000	2900000
Transfer	(75000)	(75000)
Revaluation	52500	52500
At 31 December 2018	<u>2877500</u>	<u>2877500</u>
<b>NET BOOK VALUE</b>		
At 31 December 2018	<u>2877500</u>	<u>2877500</u>
At 31 December 2017	<u>2900000</u>	<u>2900000</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 The Market House and No.s. 24-26 Westexe, Tiverton were valued as at 31 December 2018 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 2017, as augmented by the RICS Valuation - Professional standards UK, January 2014 (Revised April 2015) 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 2018.

Valuation is represented by:

	2018	2017
	£	£
Historical cost	296927	307950
Revaluation	<u>2580573</u>	<u>2592050</u>
	<u>2877500</u>	<u>2900000</u>

Revaluation:

	2018	2017
	£	£
Balance as at 31 December 2017	2592050	2582050
Revaluation on transfer	(63977)	-
Revaluation	52500	10000
Balance as at 31 December 2018	<u>2580573</u>	<u>2592050</u>



**TIVERTON ALMSHOUSE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2018**

**13 OTHER TANGIBLE FIXED ASSETS**

	Freehold Property	Computer Equipment	Total
	£	£	£
<b>COST:</b>			
At 31 December 2017	-	6639	6639
Transfer	75000	-	75000
Disposals	-	-	-
At 31 December 2018	75000	6639	81639
<b>DEPRECIATION:</b>			
At 31 December 2017	-	2742	2742
Depreciation on disposal	-	-	-
Charge for the year	-	1948	1948
At 31 December 2018	-	4690	4690
<b>NET BOOK VALUE</b>			
At 31 December 2018	75000	1949	76949
At 31 December 2017	-	3897	3897

**14 INVESTMENTS HELD AS FIXED ASSETS**

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

	2018 £	2017 £
<b>MARKET VALUE OF LISTED INVESTMENTS</b>		
At 31 December 2017	2805067	2565079
Additions	100548	165633
Income reinvested	61693	30362
Disposal proceeds	(34453)	(155811)
Realised gains/(losses)	(1629)	5077
Unrealised gains/(losses)	(193237)	212843
At 31 December 2018	2737989	2823183
Cash held as part of investment portfolio (movement)	23270	(18116)
	2761259	2805067
Historical cost	2263032	2115695

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**TIVERTON ALMSHOUSE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2018**

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

	2018 £	2017 £
Trade debtors		
Social housing rent arrears	-	92
Other	2125	2892
	<u>2125</u>	<u>2984</u>
Prepayments and accrued income	18818	19239
Other debtors	5847	4806
	<u>26790</u>	<u>27029</u>

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

	2018 £	2017 £
Mortgages	30000	30000
Rents paid in advance	37126	23585
Other creditors and accruals	43633	47239
	<u>110759</u>	<u>100824</u>

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

	2018 £	2017 £
Mortgages	<u>642962</u>	<u>672505</u>

**18 MORTGAGES**

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

Analysis of maturity of debt:	2018 £	2017 £
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	492962	522505
	<u>672962</u>	<u>702505</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.

**TIVERTON ALMSHOUSE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2018**

**19 INCOME AND EXPENDITURE RESERVES**

	2017	Surplus for year	Revaluation	Transferred	Utilised	2018
	£	£		£	£	£
Programme of works fund	20814			123879	(123879)	20814
Extraordinary repair fund	57500			-	(20918)	36582
Cyclical maintenance fund	126237			59334	(90940)	94631
Routine works	-			60058	(60058)	-
Other	1077278	110212	(32484)	(270598)	295795	1180203
	<u>1281829</u>	<u>110212</u>	<u>(32484)</u>	<u>(27327)</u>	<u>-</u>	<u>1332230</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.

Restricted reserves relates to an awning fund which was set up following a legacy from the late Doris Mabel Ann King for the provision of an awning.

**21 CAPITAL COMMITMENTS**

	2018	2017
	£	£
Capital expenditure that has been contracted for but has not been provided for in the financial statements	-	-
Capital expenditure that has been authorised by the corporate trustee but has not yet been contracted for	-	-
	<u>-</u>	<u>-</u>

TIVERTON ALMSHOUSE TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED 31 DECEMBER 2018

**22 LEASING COMMITMENTS**

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

	2018 £	2017 £
Not later than one year	5103	5842
Later than one and not later than five years	-	-
Later than five years	-	-
	<u>5103</u>	<u>5842</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 £8025 (2017 - £5957).

**24 RELATED PARTY TRANSACTIONS**

As at the 31 December 2018 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.

**TIVERTON ALMSHOUSE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2018**

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

	2018 £	2017 £
<b>Surplus / (deficit) for the year</b>	<b>19475</b>	<b>432112</b>
Rents received from investment properties	(264049)	(264704)
Mortgage interest paid	14592	21086
Interest received	(23453)	(25423)
Dividends received	(65397)	(60698)
Depreciation and impairment of tangible fixed assets	1948	2212
Realised (gain) / loss on disposal of investments	1629	(5077)
Unrealised (gains) / loss on investments	193237	(212843)
Income reinvested	(61693)	(30362)
Proceeds of sale of tangible fixed assets	-	-
Carrying amount of tangible fixed asset disposals	-	-
Revaluation on tangible fixed assets	(102500)	(10000)
(Increase) / decrease in trade and other debtors	239	11468
Increase / (decrease) in trade and other creditors	9935	(11442)
<b>Net cash flow from operating activities</b>	<b><u>(276037)</u></b>	<b><u>(153671)</u></b>

