

HOMESTEAD COTTAGES ANNUAL REPORT TO RESIDENTS 2014





Chairman's Report

On behalf of my fellow Trustees I am pleased to introduce the Annual Report covering aspects that we feel will be of interest to Residents. This is a new initiative and we hope it will be helpful in moving forward together in the spirit of openness that we have sought in recent years. We hope that you will find this report of interest and would welcome your feedback comments.

The Property update from Howard Rose gives a very full review of what has been done recently and shares plans for improvements in the short term. Of course a huge amount of investment has taken place over the last 10 years enabling us to:

- provide new roadways, paths and parking spaces;
- build an administrative office;
- refurbish the Saxton Hall and kitchen;
- replace external porches with more efficient uPVC glazed porches;
- remove the front steps to homes and provide a level access; and
- undertake substantial extensions to some of the smaller original cottages.

This has been made possible through the generosity of various benefactors and Charitable Trusts, and of course donations received from individual Residents, from events the Residents have held and from the Homestead Singers along with some legacies from former friends of the Homestead; supplemented by our own resources.

In all some £500,000 has been spent over this period and it is a tribute to the careful management of our finances by the Treasurer that our present situation remains robust and healthy as shown by the financial report produced by Steve Edmonds, which is filed with Companies House and the Charity Commission.

Our concern, above all, is for the welfare of those in our care at the Homestead. The Residents Committee report from Dr Bella Dean reflects this, and we do urge every Resident to take advantage of the personal and valuable link to the Trustees that this Committee provides so that we can respond sympathetically to concerns that may be raised.

The real test of our success is to have a happy and contented community, where we continue to be a haven for like-minded Christians. In this respect each Resident is our best ambassador for spreading the word of what we have to offer and to encourage applications from people who share these values, helping us at the same time to maintain a full occupancy level. To maintain our community it is important that we always have applicants interested in moving here, so if you know anyone who might like to apply please encourage them to do this.

I would like to take this opportunity to thank Keith Matthews, who is standing down as a Trustee and Vice Chairman. During this time Keith has also chaired the Finance, Property and General Purposes sub-committee and made an enormous contribution to the Homestead. I am sure I speak for all my fellow Trustees in saying *thank you Keith* – enjoy your retirement and more time on the allotment and golf course. I would also like to thank Mike McAllister who, after many decades of service as Clerk and more recently as special adviser to the Trustees, has said he wishes to retire later this year.

Finally I would like to thank my fellow Trustees for the many hours of time they give to support the work of the Homestead.

Michael Pearson
Chairman of the Trustees

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Treasurer's Report

You will find attached to this report, the accounts of the Homestead for the year ended 31st December 2014 which were recently formally approved at our Annual General Meeting. These are the accounts that have been filed with the Charities Commission, and show the formal details of our Charity and include a formal report of the Directors/Trustees. You will find in the Accounts a Balance Sheet at 31st December 2014, which continues to show that the Homestead remains in a strong financial position.

As has been mentioned earlier in this report, we deliberately did not undertake any major capital projects (extensions, etc.) during this period but rather concentrated our expenditure on necessary areas of repairs and maintenance, which Howard has covered in detail in his report.

Throughout the year we have continued to maintain a prudent approach to the financial management of the Homestead to ensure that there are always sufficient funds available for its day to day running. However, the Trustees are also mindful of the fact that whilst the demands for expenditure on maintenance are relentless, there is also a need to plan improvements to keep the Homestead at the standard that will be required in the years ahead. We have therefore developed a five-year strategy covering all aspects of our properties and facilities which will be regularly reviewed in the light of available funds. We are of course, a Charity and as such are reliant on income from all of our sources, particularly fundraising, donations and legacies, over future periods to enable us to maintain and continuously improve our unique facilities here at the Homestead.

Stephen Edmonds
Hon Treasurer

Property

The Methodist Homestead dates from 1929 when the Hall and 16 bungalows were built. The other 8 bungalows (Nos. 1-4 and 23-26) date from the 1970's. Naturally with most properties now 85 years old and others nearly 50 years old some of the features are outdated and others worn out.

Until this last year much of the work at Homestead Cottages has been aimed at improving the amount and standard of accommodation within the 26 bungalows with a number of extensions and additions to various properties. However, in recent months we have been catching up with repairs and renewals.

One of the big problems has been the after effects of replacing the original windows in the 16 earliest bungalows with new uPVC double-glazed windows. They have no doubt improved the comfort within the bungalows but in removing the original lead fixings this has allowed water to penetrate the new frames and cause damp in the internal walls of several of the properties.

The advice we received was that it would be likely to happen at some time in all the 1929 vintage properties. Consequently, we have been modifying the window sills on all these properties to overcome or prevent damp getting into these properties through the window spaces. This has taken a considerable time but is finally completed now.

Central heating is an important feature of modern living accommodation and all the bungalows have such a system. However, a cold bathroom, even though centrally heated, is uncomfortable and some of the bungalows (Nos. 5-10) have this problem. We have, therefore, had additional central heating fixed in the bathrooms of these properties. We are also currently looking at the standard of heating in the living rooms of No's 7-10.

The 8 bungalows dating from the 1970s were inspected at the beginning of 2014. It was clear that the original wooden front and rear doors which were still there in most properties needed to be updated to help with heat conservation and security. Consequently, all the 8 bungalows have now been upgraded, where they had not been changed already, with uPVC double glazed doors at front and rear. We found that some of these 8 properties had double-glazed windows where the cavity had failed and these have now been replaced.

One other matter which was discovered as a result of the inspection was that the rear garden area of both sets of bungalows was very dark and somewhat disturbing at night. Consequently, we have installed some night-lighting at the rear of both blocks and this seems to have been generally welcomed.

The trees and vegetation on the site along with the individual gardens are an important and pleasing feature and it was most rewarding that Homestead Cottages received a Gold Award and a Special Mention at the

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Northampton in Bloom Awards for 2014. However some of the leylandii on the site at the rear of No.18 and the rear of Nos. 4, 5 and 6 had become overgrown and untidy and it was decided that they should be removed. At the rear of Nos. 4, 5 and 6 the tree feller managed to save two lilac trees which hopefully will now flourish along with the hedge forming that part of the site boundary.

We were also recently in discussion with the resident of No.6 Homestead Way who wanted to put a better quality fence along the common boundary with our site. In view of the fact that there would be benefits for our Residents in terms of privacy and security we responded to his request for a share in the provision of the fence. What is there now is clearly of better quality than previously and has allowed us to remove the severely overgrown laurel hedge along part of the common boundary. This gives us more space and a better appearance in this part of the site.

One thing you will have noticed is our new security system. We have two cameras facing towards the Homestead Way entrance, one of which shows the lawn area including the bench at the top end of the lawn, while the other is focused directly on the entrance to give a clear picture of anyone entering the site including Residents and friends. We also have third camera focused on the rear entrance with Bethany Homestead. The system has already proved its worth when Geoff was able to identify some school children passing through the site. He rang the school and it has been made clear to the pupils that our site is out of bounds.

We have just received the results of the Quinquennial Review of the whole site of Homestead Cottages. This deals with all aspects of the site including the buildings, the drives and pathways, the gardens and trees and the fixtures and fittings. The general conclusion is that, while there are a number of matters which will require attention over the next 5 years, the buildings and grounds are maintained to a good standard and the work undertaken by the Warden, Site Manager and Directors in dealing with everyday matters and undertaking minor routine works as well as more major schemes is acknowledged as valuable.

No doubt there will be other site management problems to deal with in the future but we hope that we have managed to deal satisfactorily with a wide range of issues during this year which have been beneficial to all Residents of Homestead Cottages

Howard Rose – Property Adviser

Residents

There are now four members of the Residents committee as we have been joined by a new trustee - Maggie Munday - and I am sure she will be popular with our Residents.

Sadly we have said goodbye to some of our Residents this year - some who have passed away and others needing a different type of accommodation. Happily we have welcomed several new Residents and are glad they have settled in so quickly.

The committee very much values their three monthly meeting with the Residents as it means we keep in contact with them and get to know them better. We would encourage all Residents to come to these meetings so they may get to know us better too. The meetings are usually quite short and have a strong social component. It gives Residents an opportunity to voice any concerns as well as hear about anything that the Trustees are planning which affects them.

We have had discussions at Trustees meetings about some changes to the Resident's Handbook and hope to issue this during 2015. One of the reasons for the review and update is to incorporate latest standards and good practice published by the Almshouse Association.

As ever we are indebted to Jenny and Geoff for all they do for the Residents and how promptly they inform us of any problems as they arise.

Arabelle Dean - Chair of Residents Committee

**THE METHODIST HOMESTEAD
(A company limited by guarantee)**

**ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

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THE METHODIST HOMESTEAD,
(A Company Limited by Guarantee)

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LEGAL AND ADMINISTRATIVE DETAILS

LEGAL STATUS	A Company limited by guarantee incorporated 15 November 2012. A Registered Charity Number 1150018 appointed the sole Corporate Trustee of The Methodist Homestead (1929) Registered Charity Number 1150018-1	
DIRECTORS	M S Pearson K Matthews S R Edmonds Mrs K Brown Mrs C Creary Dr A M Dean Mrs S Dorman R K Harland M Hill Mrs M Munday – Appointed 11 th November 2014 H Rose	Chair Vice Chair Treasurer
COMPANY SECRETARY	A K Cochran	
REGISTERED OFFICE	14 The Methodist Homestead Homestead Way Northampton NN2 6JH	
BANKERS	Barclays Bank plc Northampton Group PO Box 23 Northampton NN1 4YD	
INDEPENDENT EXAMINERS	CVS Northamptonshire 32-36 Hazelwood Road Northampton NN1 1LN	
SOLICITORS	Shoosmiths The Lakes Northampton NN4 7SH	

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BALANCE SHEET AT 31ST DECEMBER 2014

		2014		2013	
Note	£	£	£	£	£
Fixed Assets					
Tangible assets	2		1,785,213		1,714,195
Investments	3		145,284		142,097
			1,930,497		1,856,292
Current Assets					
Debtors & Accrued income	4	5,029		4,526	
Cash at bank and in hand	5	114,041		145,375	
		119,070		149,901	
Creditors: Amounts					
falling due within 1 year	6	(11,138)		(6,537)	
Net current assets			107,932		143,364
Net assets			2,038,429		1,999,656
Represented by:					
Unrestricted funds:					
General Fund			107,932		143,364
Designated Funds	7		1,930,497		1,856,292
			2,038,429		1,999,656

The Company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2014.

The members have not required the Company to obtain an audit of its financial statements for the year ended 31st December 2014 in accordance with Section 476 of the Companies Act 2006.

The Directors acknowledge their responsibility for:

- a) ensuring that the Company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006; and
- b) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of each financial year and of its operating surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

The Abbreviated Accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 13th May 2015 and were signed on its behalf by:

..... - M S Pearson – Director

..... - S Edmonds – Director

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2014

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed assets and in accordance with Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in 2005 and applicable accounting standards.

Depreciation

Depreciation is provided on tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:-

Freehold land and buildings	Depreciation is not charged because the assets have a very long useful life and the estimated residual value is not materially different from the carrying value.
Equipment	25% straight line per annum
Furniture and utensils	20% straight line per annum
Bungalow fixtures	6.67% straight line per annum
Call care system	12.5% straight line per annum

Expenditure is capitalised when it is truly of a capital nature and only if it exceeds £5,000.

Incoming Resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Voluntary Income

Donations, legacies and voluntary income are included in the Statement of Financial Activities as they are received. The value of voluntary help is not included in the financial statements.

Investment Income

Interest on investment funds and cash on deposit is included in the Statement of Financial Activities when received, at an amount which includes any tax credits recoverable from the Inland Revenue.

Cashflow Statement

The financial statements do not include a cashflow statement because the Charity, as a small reporting entity is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1.

Pensions

The company does not operate a Pension Scheme.

Investments

These are included in the balance sheet at the value ruling on the balance sheet date and are stated at the average of the bid and offer price as at that date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2014

1. ACCOUNTING POLICIES (cont.)

General Fund

Sums of cash at any time belonging to the charity and not needed for immediately working purposes shall be invested in the name of the charity, whilst the general fund consists of all the working capital used for the day to day running of the charity.

Designated Funds

These are amounts which have been set aside at the discretion of the directors for specific, but not legally binding purposes.

Restricted Fund

The Restricted Fund is the permanent endowment of the linked Charity, The Methodist Homestead (1929) Registered Charity Number 110018-1, and is only available for the specific use as defined by the permanent endowment.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2014
(CONTINUED)**

2 FIXED ASSETS

	Freehold Land and Buildings £	Equipment £	Furniture and utensils £	Bungalow Fixtures £	Call Care System £	Total £
Cost of valuation						
At 1 st January 2014	1,714,195	5,710	8,194	3,289	13,587	1,744,975
Additions	71,018					71,018
At 31 December 2014	1,785,213	5,710	8,194	3,289	13,587	1,815,993
Depreciation:						
At 1 st January 2014	-	5,710	8,194	3,289	13,587	30,780
Charged for the year						-
At 31 December 2014	-	5,710	8,194	3,289	13,587	30,780
Net book amount:						
At 31 December 2014	1,785,213	-	-	-	-	1,785,213
At 31 st December 2013	1,714,195	-	-	-	-	1,714,195

The freehold land and buildings are a permanent endowment of the linked charity the Methodist Homestead (1929) Registered Charity Number 1150018-1, and as a restricted fund are therefore only available for the specific use as defined by the permanent endowment.

3 INVESTMENTS

	No.Shares	2014		No.Shares	2013	
		Cost £	Valuation £		Cost £	Valuation £
At commencement of year						
1 st January 2014	36,623	41,514	142,097	51,123	57,950	176,477
Disposals	-	-	-	14,500	(16,436)	(52,827)
Realised gain	-	-	-	-	-	2,772
Unrealised gain	-	-	3,187	-	-	15,675
	36,623	41,514	145,284	65,623	41,514	142,097

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2014
(CONTINUED)

4 DEBTORS

	2014	2013
	£	£
Prepayments	3,739	3,106
Accrued income	1,290	1,420
	5,029	4,526
	5,029	4,526

5 CASH AT BANK AND IN HAND

	2014	2013
	£	£
Current Account	47,854	89,554
Methodist Church Fund deposit		
CFB No. 1 account	936	930
CFB No. 2 account	54,820	54,489
CFB Building Fund account	10,431	402
	114,041	145,375
	114,041	145,375

6 CREDITORS:

Amounts falling due within one year	2014	2013
	£	£
Trade creditors	483	548
Accruals	10,655	5,989
	11,138	6,537
	11,138	6,537

7 DESIGNATED FUND

	2014	2013
	£	£
Building and equipment	1,785,213	1,714,195
Capital Fund	145,284	142,097
	1,930,497	1,856,292
	1,930,497	1,856,292

The Building and Equipment Fund has been set up to assist in identifying the restricted fund of the permanent endowment of the linked Charity as it represents the net book value of the tangible fixed assets.