

**Shrewsbury Drapers Holy Cross Limited
incorporating
Shrewsbury Drapers Company Charity**

Board Report and Financial Statements

For the year ended 31 December 2021

Homes and Communities Agency registration number: 4809

Company registration number: 07000798

Charity registration number: 1132671

Shrewsbury Drapers Holy Cross Limited incorporating Shrewsbury Drapers Company Charity

Financial Statements

Year Ended 31 December 2021

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Shrewsbury Drapers Holy Cross Limited incorporating Shrewsbury Drapers Company Charity

Registered Social Housing Provider

Year Ended 31 December 2021

Members of the Board

Mr A Cross
Mrs J Boyd
Mr J Crackett (retired 5 March 22)
Mr H Milward
Mr R Auger
Dr R Hatts
Mr D Perrin
Mr A Haslewood (resigned 24 May 2021)
Mrs C Holmes
Mr G Woods (retired 28 March 22)
Mr B Newman
Mr I Davies (appointed 20 January 2021)
Mr N Prosser (appointed 28 April 2021)
Mrs A Thorn (appointed 24 May 2021)
Mr R Gough (appointed 24 May 2021)
Mrs G Davies (appointed 19 January 2022)
Mr T Hunt (appointed 28 March 22)

Secretary

Mr N Prosser

Registered office

Drapers Place
Horsefair
Abbey Foregate
Shrewsbury
SY2 6BP

Auditor

WR Partners
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Solicitor

Hatchers Solicitors
Welsh Bridge
1 Frankwell
Shrewsbury
Shropshire
SY3 8JY

Bankers

Lloyds PLC
Pride Hill Branch
Shrewsbury
Shropshire

Shrewsbury Drapers Holy Cross Limited incorporating Shrewsbury Drapers Company Charity

Board Report

Year Ended 31 December 2021

The Board of Shrewsbury Drapers Holy Cross Limited, corporate trustee of the linked charity, Shrewsbury Drapers Company Charity present their report and the audited financial statements of Shrewsbury Drapers Holy Cross Limited for the year ended 31 December 2021.

The Trustees confirm that the Annual Report and financial statements of the Association comply with the current statutory requirements, the requirements of the Association's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to Registered Social Landlords, Housing SORP 2018, preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Members of the Board

The members of the Board who have served during the year are as follows:

Mr A Cross
Mrs J Boyd
Mr J Crackett (Retired 5 March 22)
Mr H Milward
Mr R Auger
Dr R Hatts
Mr D Perrin
Mr A Haslewood (Retired 24 May 21)
Mrs C Holmes
Mr G Woods (Retired 28 March 22)
Mr B Newman
Mr I Davies (Appointed 20 January 22)
Mr N Prosser (Secretary, Appointed 28 April 22)
Mrs M Thorn (Appointed 24 May 21)
Mr R Gough (Appointed 24 May 21)
Mrs G Davies (Appointed 19 January 22)
Mr T Hunt (Appointed 28 March 22)

Objectives

Shrewsbury Drapers Holy Cross Limited (SDHCLtd) is the corporate trustee of Shrewsbury Drapers Company Charity (SDCC).

The objectives of SDHCLtd and SDCC are to continue to run their almshouses for the benefit of the elderly in need of support. Beneficiaries are ordinarily residents of Shrewsbury, the Counties of Shropshire and Powys or have a strong local connection with the same. An assessment of the level of support is made on application and the most appropriate applicant is chosen. The company aims to develop community spirit of mutual support to prevent loneliness and improve well-being yet encouraging independent living.

A subsidiary object of SDCC is to conserve and preserve specified historical items of furniture and other artefacts at Drapers Hall, Shrewsbury.

In setting objectives and planning for activities, the Board have given due consideration to the latest guidance published by the Charity Commission relating to public benefit and to safeguarding.

Mission Statement

Shrewsbury Drapers Holy Cross Limited (SDHC) is a registered charity and the corporate trustee of the linked charity Shrewsbury Drapers Company Charity.

Our Purpose is to provide safe, comfortable and affordable homes for people in their later years.

Shrewsbury Drapers Holy Cross Limited incorporating Shrewsbury Drapers Company Charity

Board Report

Year Ended 31 December 2021

Our Vision is that SDHC is a modern, efficient and effective provider of supported housing communities where:

Residents thrive in a safe and secure environment, free from isolation and loneliness. They and their families recognise they get high value for money, rapid response to building repairs or problems, periodic improvements and refurbishments, well-maintained communal facilities and gardens, welfare advice and assistance, organised meetings and events, and a listening ear.

Shropshire Council, Homes England, and regulators consider SDHC a responsible, professional registered housing provider and developer helping to solve Shropshire's housing issues.

Donors feel their money is efficiently and effectively spent on a worthwhile cause.

Community Groups appreciate the inexpensive community meeting room with excellent kitchens and AV facilities.

Staff and Volunteers feel valued and appreciated, while being given the opportunity to make real difference to people's lives.

The people of Shropshire and Powys understand and value SDHC because of the benefits it brings to the area.

There is an Almshouses Management Committee with sub-committees for welfare and recruitment of residents, and estates. The liaison members who visit regularly and other volunteers who make individual visits such as the surveyors have to undergo Disclosure and Barring Service checks. The management of the volunteers is through sub-committees of the Almshouses Management Committee which reports back to the Board. There is a complaints policy and procedure in place for the residents in their handbook.

A Manager runs the office at Drapers Place, and manages the whole of Drapers Place including the community facility, the Bradbury Suite. There is also a full time resident Warden at Fairford Place. There is considerable coordination and cooperation between the employees.

Close relationships between residents and the Warden and Manager reflect the professional and supportive role played by employees. The Warden and the Manager are given guidelines on their roles including relationships with the residents. They are reviewed annually.

All the Board members are volunteers.

The charity relies significantly on volunteer support particularly in the management of the almshouses including secretarial and clerical work. Based on an analysis of volunteer time completed during the year, the benefit to the charity over the year is estimated to be around £70,000.

Operational highlights 2021

- 1) Occupancy. Our almshouses continue to be popular, with the few vacancies occurring being filled immediately they arise. Average occupancy was more than 95% across the year.
- 2) Covid-19 . Despite the year starting and ending with high rates of infections and national restrictions imposed, the measures designed in 2020 proved again successful in mitigating the impact on beneficiaries. Careful work by both staff and volunteers resulted in a limited number of cases which were not serious, while for most of the year near-normal social and welfare support took place.
- 3) Property Improvements. The almshouses estate continues to be well-maintained, and this year a programme of upgrading heating in St Giles was started. Flats in Fairford Place are being rewired and redecorated as they fall vacant, and some wiring upgrading is being carried out at Holy Cross. Replacement of the Holy Cross Chimneys has been delayed due to materials availability, but will be completed in 2022.
- 4) Almshouse development. Work has continued to assess the potential development of additional almshouses at Drapers Place and re-development of existing almshouses at Fairford Place.
- 5) Queen's Award for Voluntary Service. Shrewsbury Drapers Company (the parent organisation of SDHC) was one of only 4 organisations in Shropshire to receive this award in 2021. It recognises the work of all

Shrewsbury Drapers Holy Cross Limited incorporating Shrewsbury Drapers Company Charity

Board Report

Year Ended 31 December 2021

our volunteers in delivering our contribution to the local community and has a special endorsement to acknowledge the difficulties we faced during the pandemic.

The Properties

Hospital of the Holy Cross: the five almshouses were built in the mid 1800s. The Warden and member volunteers continue to provide arms-length support for the residents with, lockdown restrictions providing, regular visits to assist independent living.

Part of the land behind the almshouses is leased to a crown green bowling club.

Fairford Place: there are 16 studio flats, built in the 1960s, set in a quiet location in Coleham, Shrewsbury conveniently placed near to local shops and for walking into town. There is also a bungalow on site for the resident Warden. A programme of improvements including redecoration and rewiring is in place.

Hospital of St Giles: there are 4 one-bedroom bungalows near St Giles Church set back from Wenlock Road, Shrewsbury. The Warden visits regularly when lockdown restrictions allow.

Drapers Place: Drapers Place contains 21 one-bedroom and 4 two-bedroom apartments, an office for administration, two lounges for the residents, a hobbies room and the Bradbury Suite. The Bradbury Suite comprises a large meeting room with AV facilities and a kitchenette and is available for hire by local people or organisations. Drapers Place opened towards the end of 2016 and was fully occupied during 2021. The design and construction has largely lived up to expectations and in operation has provided valuable feedback for incorporation in any future projects. In addition to the Manager on site, the Warden visits weekly.

Newport: There is one remaining Almshouse (of four) at Newport. Whilst this property is not fully up to the standards we set in terms of space, the strong preference of the remaining resident to remain has been respected. The resident will continue to enjoy full occupancy rights and, when lockdown restrictions allow, receives regular visits from Drapers, and support from the adjoining Haberdashers' Adams' Grammar School.

Financial review

The financial statements are prepared on an accruals basis and the accounts are subject to a full audit rather than an inspection.

For the year to 31 December 2021, the financial statements reported a surplus of £141,896 (2020 £63,200)

The net assets at the year end were £4,187,168 (2020 £4,045,272).

The Board continually assess the financial performance of the company with a detailed site breakdown of income and costs. Monthly management accounts compare actual performance against budget with a detailed variance analysis. Performance metrics are reviewed on both a site and historic basis and provide information for future planning and budgeting.

Financial performance	2021	2022
New Supply	Nil	Nil
Gearing	22%	23%
Interest Cover	378%	345%
Social housing cost per unit	£2,977	£2,677
Operating margin	8%	9%
Return on Capital Employed	4%	2%

Shrewsbury Drapers Holy Cross Limited incorporating Shrewsbury Drapers Company Charity

Board Report

Year Ended 31 December 2021

a. Reserves policy

At the end of every financial year sufficient funds are set aside from income or existing financial assets to:

- a) cover the cost of the repair and the maintenance value of the existing physical assets; and
- b) fund other reserves, including a general reserve, for amounts as may be deemed to be appropriate in foreseeable circumstances.

The minimum level of reserves reflects the property folio and the Company's mortgage liability.

Free reserves at the year end were £882,747 (2020 £706,048).

b. Material investments policy

Investments are being managed by Brewin Dolphin under an agreed policy of diversified risk seeking a total return from the portfolio of both capital appreciation and income yield. Regular reviews take place.

c. Risk management

The Board examines annually the strategic and operational risks which the entity faces and confirm that systems are in place to enable regular reports to be produced so that the required steps may be taken to lessen those risks. They continue to review and improve such systems as may be necessary.

The almshouses are on 5 sites. Each site is considered on an individual basis and where required improvements to properties continue.

The Board has identified that potential loss in revenue resulting from a lower than 90% occupancy rate could put a strain on finances with respect to repayment of the mortgage. The rate of occupancy has been higher than this year on year for some time, however the minimum level of reserves has been set at a prudent level. The current level of reserves is above this.

Key objectives for 2022

1. The Board intends to come to a clear decision on the project for the next phase of development of our almshouse provision.
2. The rebuilding of the chimneys on the Grade 2 listed Holy Cross Almshouses has been delayed by material supply problems, but will be completed during the year.
3. Value for Money The Board recognises that almshouses which are Registered Providers of Social Housing are expected to adhere to Value for Money (VFM) standards. These standards apply to recipients of public money and are under the remit of the Regulator of Social Housing (RSH) with the purpose of ensuring that we are economic, efficient and effective in applying our mission, and that we focus our resources (people, finances and assets) appropriately whilst also being as environmentally friendly as possible. In the year ahead, the Board intends to identify relevant and proportionate metrics, the means of measuring these metrics, and ensuring compliance with RSH requirements.
4. The Board intends that the existing properties are well maintained and, where practical and affordable, are upgraded with a view to improved energy efficiency.

The Company, and the linked charity, are fortunate in not having to depend on charitable donations to meet the principal charitable objective, the provision of almshouse accommodation. A high proportion of our income is from relatively secure sources, including Housing Benefit. The Company's resources, including cash, are at a level that gives us the confidence that we can continue to operate normally.

Shrewsbury Drapers Holy Cross Limited incorporating Shrewsbury Drapers Company Charity

Board Report

Year Ended 31 December 2021

Structure, governance and management

Shrewsbury Drapers Company

As an organised body, the Shrewsbury Drapers became prominent with the founding of almshouses in 1444, and became even more important when their Guild was incorporated by Royal Charter under the seal of King Edward IV in the year 1462. In this Charter the Shrewsbury Drapers were given the title 'A Fraternity or Guild of the Holy Trinity of the Men of the Mystery of Drapers in the town of Salop'. Following the enactment of the Municipal Corporations Act 1835 the members of the Guild continued as trustees of the Almshouses first established in 1444.

The Guild is now known as the Shrewsbury Drapers Company. It is not a registered charity.

Shrewsbury Drapers Holy Cross Limited (registered Charity 1132671)

Shrewsbury Drapers Holy Cross Limited was incorporated as a private Company limited by guarantee under the Companies Act 1985. It was set up by the Shrewsbury Drapers Company with its Memorandum of Association primarily to provide almshouse accommodation for needy elderly persons of good character who are either ordinarily residents of the immediate area of Shrewsbury, the wider area of the Counties of Shropshire and Powys, or who have strong connections with the same. It is a registered charity.

Shrewsbury Drapers Company Charity (Registered linked/subsidiary Charity 1132671-1)

The Freemen of Shrewsbury Drapers Company were responsible for the running of three individual sets of almshouses until 1 January 2015. From that date the charities formerly known as The Hospital of the Holy Cross (1132671-1), Hospital of St Giles (233903) and the Shrewsbury Drapers Company General Charities (213372) were merged into a new scheme to be known as Shrewsbury Drapers Company Charity (1132671-1), a linked or subsidiary charity with Shrewsbury Drapers Holy Cross Ltd (1132671) as the sole corporate trustee. The charities 233903 and 213372 were then de-registered.

a. Method of appointment or election of the Board

One of the Board members must be the Master of the Shrewsbury Drapers Company who normally will act as Chairman. The Master is elected annually by the Freemen of the Shrewsbury Drapers Company through their Court. The remainder of the Board must be Freemen of the Shrewsbury Drapers Company. At the Annual General Meeting in May 2015, the Board agreed to make all Freemen of Shrewsbury Drapers Company "Members" of Shrewsbury Drapers Holy Cross Ltd, all of whom having voting rights at future general meetings including election of new directors. The procedure must follow that prescribed in the Company Articles of Association.

The selection of the people put forward by the Board for election is made after assessing the areas of expertise that need to be strengthened. In most cases these individuals will have served time on the management sub-committees as part of their experience and training. The duties of Directors and Trustees are explained to them.

Decisions are made at the Board level apart from delegation to committees such as the Almshouses Management Committee which reports to the Board.

b. Organisational structure and decision making

The Shrewsbury Drapers Company (Guild) has up to 90 elected Freemen who are all Members of Shrewsbury Drapers Holy Cross Ltd.

Shrewsbury Drapers Holy Cross Limited incorporating Shrewsbury Drapers Company Charity

Board Report

Year Ended 31 December 2021

All Directors on the Board of Shrewsbury Drapers Holy Cross Ltd have to be Freemen of Shrewsbury Drapers Company.

Some Freemen are Trustees / Directors of Shrewsbury Drapers Hall Preservation Trust Ltd (Registered Charity 1073486) but any possible conflict of interest is declared. The possibility of a conflict is very low.

The Board of the Shrewsbury Drapers Holy Cross Ltd, as corporate trustee, has overall responsibility for the management of Shrewsbury Drapers Company Charity (1132671-1) in all its affairs.

The Almshouses Management Committee, is responsible for the daily management of all the almshouses owned by Shrewsbury Drapers Company Charity (1132671-1) and the remaining almshouse under the Adams Eleemosynary Charities and the residents. This committee reports to the Board of the Shrewsbury Drapers Holy Cross Ltd.

The Finance Committee is chaired by the Finance Director and makes recommendations to the Board on budgets and financial management matters.

The Board has adopted a code of governance based on template provided by the Almshouse Association. During the year directors reviewed the governance topics raised by the recent Charity Commission '5-minute' guides and held a short discussion at each Board Meeting.

In addition, Shrewsbury Drapers Company Charity is a member of the Almshouse Association which publishes "Standards of Almshouse Management" which is used for reference.

The Company is a registered provider of social housing with Homes England. The Board is duty bound to follow regulatory compliance from the Regulator of Social Housing (RSH) the Charity Commission, and Companies House.

c. Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative and staff meetings and have been kept informed on specific matters directly by management. The Company carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for the Board.

In accordance with the Company's equal opportunities policy, the Company has long established fair employment practices in the recruitment, selection, retention and training of disabled staff. Full details of this policy are available from the Company's office.

Board's responsibilities

The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Company and charity law and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of its income and expenditure for that period.

In preparing these financial statements, the Board 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 Company will continue in business.

Shrewsbury Drapers Holy Cross Limited incorporating Shrewsbury Drapers Company Charity

Board Report

Year Ended 31 December 2021

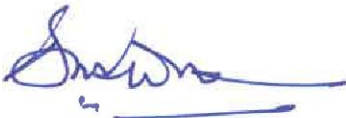
The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable it to ensure that the financial statements comply with the Accounting Direction for private registered providers of social housing in England 2019. It has general responsibility for taking reasonable steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Disclosure of information to the auditors

We, the Board members who held office at the date of approval of these Financial Statements and in line with the Regulator of Social Housing's 'Governance and Financial Viability Standard' as set out variously above, each confirm, so far as we are aware, that:

- there is no relevant audit information of which the auditors are unaware;
- we have taken all the steps that we ought to have taken as Board members in order to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information; and
- we comply with the Governance and Financial Viability Standards set by the RSH.

On behalf of the Board



Mr B Newman

Date 28 April 2022

Shrewsbury Drapers Holy Cross Limited incorporating Shrewsbury Drapers Company Charity
Independent Auditor's Report to the Members of Shrewsbury Drapers Holy Cross Limited
incorporating Shrewsbury Drapers Company Charity
Year Ended 31 December 2021

Opinion

We have audited the financial statements of Shrewsbury Drapers Holy Cross Limited incorporating Shrewsbury Drapers Company Charity (the 'Association') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Cash Flow Statement 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 Association's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

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 association 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

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The board are responsible for the other information contained within the audit report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Shrewsbury Drapers Holy Cross Limited incorporating Shrewsbury Drapers Company Charity
Independent Auditor's Report to the Members of Shrewsbury Drapers Holy Cross Limited
incorporating Shrewsbury Drapers Company Charity
Year Ended 31 December 2021

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the board report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the board report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the association and its environment obtained in the course of the audit, we have not identified material misstatements in the board report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; 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 the board

As explained more fully in the board's responsibilities statement, the board members (who are also the directors of the association for the purposes of company law) are 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 board 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 board is responsible for assessing the association'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 board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

The audit team obtained an understanding of the legal and regulatory frameworks that are applicable to the Association and determined that the most significant are those that relate to the reporting framework (FRS102, the Statement of Recommended Practice for Social Housing Providers 2014 and the Accounting Direction for private registered providers of social housing in England 2019), employment law, Health and Safety Regulations, and the EU General Data Protection Regulation (GDPR).

We understood how the Association is complying with these frameworks by making enquiries of management and those responsible for legal and compliance procedures. We have also reviewed board minutes to identify any recorded instances of irregularity or non-compliance that might have a material impact on the financial statements.

Shrewsbury Drapers Holy Cross Limited incorporating Shrewsbury Drapers Company Charity
Independent Auditor's Report to the Members of Shrewsbury Drapers Holy Cross Limited
incorporating Shrewsbury Drapers Company Charity
Year Ended 31 December 2021

We have assessed the susceptibility of the Association's financial statements to material misstatement, including how fraud might occur by meeting with key management to understand where they considered there was susceptibility to fraud. Based on our understanding our procedures involved enquiries of management and those charged with governance, manual journal entry testing, cashbook reviews for large and unusual items and the challenge of significant accounting estimates used in preparing the financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Association's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.



WR Partners
Chartered Accountants
Statutory Auditors

Belmont House
Shrewsbury Business Park
Shrewsbury, Shropshire, SY2 6LG

Date: 3 May 2022

Shrewsbury Drapers Holy Cross Limited incorporating Shrewsbury Drapers Company Charity

Statement of Comprehensive Income

Year Ended 31 December 2021

		2021	2020
	Note	Total £	Total £
Turnover	2	277,883	270,404
Cost of sales	3	(151,827)	(136,548)
Gross surplus		126,056	133,856
Administrative expenditure	4	(28,242)	(35,472)
Operating surplus before depreciation		97,814	98,384
Depreciation	4	(74,240)	(75,323)
Operating surplus after depreciation		23,574	23,061
Investment portfolio income and gains	7	144,173	68,590
Interest receivable and similar income	8	24	78
Interest payable and similar charges		(25,875)	(28,529)
Surplus/(Deficit) on ordinary activities and total comprehensive income for the year		141,896	63,200

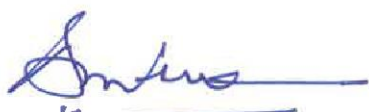
All activities relate to continuing operations

The notes on pages 16 to 24 form part of these financial statements.

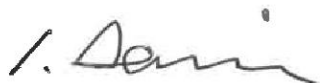
Shrewsbury Drapers Holy Cross Limited incorporating Shrewsbury Drapers Company Charity**Balance Sheet****Year Ended 31 December 2021****Company registration number: 07000798**

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	12	3,669,329	3,731,733
Investments	13	1,116,348	969,605
		<u>4,785,677</u>	<u>4,701,338</u>
Current assets			
Debtors	14	110	1,453
Cash at bank and in hand		333,224	296,531
		<u>333,334</u>	<u>297,984</u>
Creditors: amounts falling due within one year	15	(102,500)	(73,614)
Net current assets		<u>230,834</u>	<u>224,370</u>
Creditors: amounts falling due after more than one year	16	(829,343)	(880,436)
Total net assets		<u>4,187,168</u>	<u>4,045,272</u>
Reserves			
Income and expenditure reserve	18a	1,250,504	1,067,709
Revaluation reserve	18b	851,572	878,572
Restricted reserve	18c	578,285	591,285
Endowment reserve	18d	1,339,807	1,337,706
Designated reserve	18a	167,000	170,000
Total Reserves		<u>4,187,168</u>	<u>4,045,272</u>

The financial statements were approved on 28 April 2022 and signed on behalf of the Board by



Mr B Newman
Director



Mr I Davies
Director

The notes on pages 16 to 24 form part of these financial statements.

Shrewsbury Drapers Holy Cross Limited incorporating Shrewsbury Drapers Company Charity

Statement of Changes in Reserves

Year Ended 31 December 2021

	Income & expenditure reserve £	Revaluation reserve £	Designated reserve £	Restricted reserve £	Endowment reserve £	Total £
At 1 January 2021	1,067,709	878,572	170,000	591,285	1,337,706	4,045,272
Surplus / (deficit) for the year	141,896					141,896
Internal transfers	3,000		(3,000)			
Depreciation	68,500	(27,000)		(13,000)	(28,500)	-
Capital repayments	(30,601)				30,601	-
At 31 December 2021	1,250,504	851,572	167,000	578,285	1,339,807	4,187,168

The notes on pages 16 to 24 form part of these financial statements.

Shrewsbury Drapers Holy Cross Limited incorporating Shrewsbury Drapers Company Charity

Statement of Cash Flows

Year Ended 31 December 2021

	Note	2021 £	2020 £
Cash flow from operating activities	19	114,981	96,112
Net cash flow from operating activities		<u>114,981</u>	<u>96,112</u>
Cash flow from investing activities			
Payments to acquire tangible fixed asset		(11,836)	(1,920)
Transfers in (refer to note)		-	-
Interest received		24	78
Net cash flow from investing activities		<u>(11,812)</u>	<u>(1,842)</u>
Cash flow from financing activities			
Interest paid		(25,875)	(28,529)
Loans received/(repaid)		(40,601)	(38,828)
Net cash flow from financing activities		<u>(66,476)</u>	<u>(67,357)</u>
Net increase/(decrease) in cash and cash equivalents		36,693	26,913
Cash and cash equivalents at 1 January 2021		296,531	269,618
Cash and cash equivalents at 31 December 2021		<u>333,224</u>	<u>296,531</u>
Cash and cash equivalents consists of:			
Short term deposits		333,224	296,531
Cash and cash equivalents at 31 December 2021		<u>333,224</u>	<u>296,531</u>

The notes on pages 16 to 24 form part of these financial statements.

Shrewsbury Drapers Holy Cross Limited incorporating Shrewsbury Drapers Company Charity

Notes to the Financial Statements

Year Ended 31 December 2021

1 Summary of significant accounting policies

(1) General information and basis of preparation

Shrewsbury Drapers Company Charity is a charity and a private registered provider of social housing in the United Kingdom. The address of the registered office is given in the information on page 1 of these financial statements. The nature of the Association's operations and principal activities are to continue to run its Almshouses for the benefit of the elderly in need of support.

The Association constitutes a public benefit Association 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 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008. The financial statements have been 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 the Association, and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Tangible fixed assets

Tangible fixed assets (including social housing properties) are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing maintenance contributions, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

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

Land	Nil
Housing properties, complete	50 years
Fixtures and Fittings	15% Straight Line

Housing properties under construction and the associated fixtures and fittings are not depreciated until they are in use.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other administrative expenses.

Shrewsbury Drapers Holy Cross Limited incorporating Shrewsbury Drapers Company Charity

Notes to the Financial Statements

Year Ended 31 December 2021

(d) 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 if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

(e) Tax

The Association is recognised by HMRC as a charity and therefore exempt from corporation tax.

(f) Turnover and other income

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows:

Turnover represents maintenance contributions and service charges income (where applicable) receivable in the year net of maintenance contributions and service charge losses from voids.

(g) Interest and dividends receivable

Interest income is recognised using the effective interest method and dividend income is recognised as the Association's right to receive payment is established.

(h) Restricted / Endowment Reserves

Restricted / endowment reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Restricted reserves include funds raised in response to a specific appeal. Endowment funds represent those assets which must be held permanently. Revenue and expenditure cannot be directly set against restricted / endowment reserves but is taken through the statement of comprehensive income and then a transfer to restricted / endowment reserves is made as appropriate.

(2) Judgments and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and others factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates, will by definition, seldom equal the related actual results. In the opinion of the directors there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year.

2 Turnover

	2021 £	2020 £
Social Housing turnover (note 5)	246,408	243,204
Fundraising income	15,935	10,905
Other income	15,540	16,295
	<u>277,883</u>	<u>270,404</u>

Shrewsbury Drapers Holy Cross Limited incorporating Shrewsbury Drapers Company Charity**Notes to the Financial Statements****Year Ended 31 December 2021****3 Cost of sales**

	2021	2020
	£	£
Repairs and maintenance	76,162	59,828
Warden and Almshouse Manager's salaries and telephone	31,028	31,674
Electricity	14,712	18,249
Insurance	7,318	7,384
Water rates	3,050	2,277
Cleaning and sundries	6,738	5,880
Garden upkeep	10,836	9,735
Alarm system	1,983	1,521
Social Housing activity expenditure (note 5)	<u>151,827</u>	<u>136,548</u>
Fundraising expenditure	-	-
	<u>151,827</u>	<u>136,548</u>

4 Administrative expenditure

	2021	2020
	£	£
Management and administration	14,096	12,249
Legal and professional fees	-	3,474
Auditors remuneration – current year	5,860	5,520
Project development costs	8,286	14,229
	<u>28,242</u>	<u>35,472</u>

5 Social housing turnover and costs

	2021	2020
	£	£
Maintenance contributions receivable excluding service charges	246,408	243,204
Social housing activity expenditure	<u>(151,827)</u>	<u>(136,548)</u>
Operating surplus from social housing activities	<u>94,581</u>	<u>106,656</u>

Shrewsbury Drapers Holy Cross Limited incorporating Shrewsbury Drapers Company Charity

Notes to the Financial Statements

Year Ended 31 December 2021

6 Accommodation owned and in management

	Number of units at 31 December 2021	Number of units at 31 December 2020
Owned and in management	50	50
Unowned and in management	1	1
	<u>51</u>	<u>51</u>

7 Investment portfolio movements

	2021 £	2020 £
Profit/(loss) on the disposal of investments	81,828	(9,002)
Gain on revaluation of investments	52,301	67,407
Income from investments	22,382	18,129
Investment management costs	(12,338)	(7,944)
	<u>144,173</u>	<u>68,590</u>

8 Interest and other finance income and charges

	2021 £	2020 £
Bank interest receivable	24	78
	<u>24</u>	<u>78</u>

9 Surplus on ordinary activities

Surplus on ordinary activities is stated after charging / (crediting):

	2021 £	2020 £
Auditor's remuneration	5,860	5,520
Profit/(Loss) on fair value movement of investments	<u>52,301</u>	<u>58,405</u>

10 Board and key management personnel remuneration

The Board and key management personnel neither received nor waived any remuneration during the year (2020: Nil).

Shrewsbury Drapers Holy Cross Limited incorporating Shrewsbury Drapers Company Charity

Notes to the Financial Statements

Year Ended 31 December 2021

11 Staff costs

The average number of employees, calculated on a full time equivalent was 2 (2020 - 2).

There are no employees who received more than £60,000 as their employee package.

12 Tangible fixed assets – housing properties

	Housing properties completed £	Fixtures and fittings £	Total £
Cost:			
At 1 January 2021	5,427,575	38,150	5,465,725
Additions	-	11,836	11,836
Transfers	-	-	-
At 31 December 2021	5,427,575	49,986	5,477,561
Depreciation:			
At 1 January 2021	1,713,255	20,737	1,733,992
Charge for year	68,500	5,740	74,240
At 31 December 2021	1,781,755	26,477	1,808,232
Net book value:			
At 31 December 2021	3,645,820	23,509	3,669,329
At 31 December 2020	3,714,320	17,413	3,731,733

The net book value of land and buildings comprised:

	2021 £	2020 £
Land and buildings:		
Freehold	3,645,820	3,714,320
	<u>3,645,820</u>	<u>3,714,320</u>

Tangible fixed assets held at valuation

Certain freehold land and buildings included above were recognised using a previous market valuation as a deemed cost on transition to FRS 102. These assets are being depreciated from their valuation date of 31 December 2013 and have a net book value of £1,195,820 (2020: £1,222,820). The historic cost equivalent of these assets is £344,248. The Trustees are of the opinion that there is no material difference between this and current valuation.

Drapers Place was subject to an independent professional valuation on 1 February 2017. The valuation was undertaken by D Heath FRICS of Butters John Bee on the open market valuation with vacant possession basis reflecting the endowed status of the property.

Shrewsbury Drapers Holy Cross Limited incorporating Shrewsbury Drapers Company Charity

Notes to the Financial Statements

Year Ended 31 December 2021

13 Fixed asset investments

	Listed investments £
At 1 January 2021	969,605
Dividends received	22,382
Profit on disposals	81,828
Management fees	(9,768)
Revaluation	52,301
At 31 December 2021	<u>1,116,348</u>

14 Debtors

	2021 £	2020 £
Other debtors	110	1,453
	<u>110</u>	<u>1,453</u>

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	34,003	23,500
Accruals and deferred income	26,051	9,510
Bank loan	31,096	30,604
Other loan	10,000	10,000
Taxation and social security	1,350	-
	<u>102,500</u>	<u>73,614</u>

The bank loan is secured over the freehold property of the Charity.

Other creditors include balances lent to the charitable company by some of its members (see note 20) and these balances are all interest free.

16 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loan	789,343	820,436
Other creditors	-	10,000
Other loan	40,000	50,000
	<u>829,343</u>	<u>880,436</u>

Shrewsbury Drapers Holy Cross Limited incorporating Shrewsbury Drapers Company Charity

Notes to the Financial Statements

Year Ended 31 December 2021

The bank loan is secured over the freehold property of the Charity.

17 Creditors: amounts falling due after more than one year (continued)

Bank loans are repayable as follows:

	2021 £	2020 £
One to two years	32,037	31,557
Two to five years	102,402	100,462
Five years or more	654,904	688,417
	<u>789,343</u>	<u>820,436</u>

Other creditors are balances lent to the charitable company by some of its members (see note 20) and these balances are all interest free.

18 Reserves

a) Unrestricted reserves

	Income & expenditure reserve £	Designated reserve £
At 1 January 2021	1,067,709	170,000
Surplus / (deficit)	141,896	-
Internal transfer	40,899	(3,000)
	<u>1,250,504</u>	<u>167,000</u>

The designated reserves is made up of a major repairs fund of £50,000 and a development fund of £117,000.

b) Revaluation reserve

	2021 £
At 1 January 2021	878,572
Internal transfer	(27,000)
	<u>851,572</u>

The revaluation reserve relates to the revaluation of the almshouses on 31 December 2013.

The transfer out relates to the revalued element of the depreciation charged in the year.

Shrewsbury Drapers Holy Cross Limited incorporating Shrewsbury Drapers Company Charity

Notes to the Financial Statements

Year Ended 31 December 2021

18 Reserves (continued)

c) Restricted reserve	2021 £
At 1 January 2021	591,285
Internal transfer	(13,000)
	<hr/> 578,285
At 31 December 2021	<hr/>

The restricted reserve relates to the net book value of the land and buildings of the Holy Cross Almshouses and a transfer of £10,785 from the Adams Eleemosynary Charities in 2019. The transfer out relates to the depreciation charged for the year ended 31 December 2021.

d) Endowed reserves

	2021 £
At 1 January 2021	1,337,706
Internal transfer	2,101
	<hr/> 1,339,807
At 31 December 2021	<hr/>

The endowed fund relates to Drapers Place Almshouses and a transfer of £277,746 from the Adams Eleemosynary Charities in 2019.

Shrewsbury Drapers Holy Cross Limited incorporating Shrewsbury Drapers Company Charity

Notes to the Financial Statements

Year Ended 31 December 2021

19 Reconciliation of operating surplus to cash flow from operating activities

	2021 £	2020 £
Surplus/(Deficit) for the year	141,896	63,200
Interest payable	25,875	28,529
Interest received	(24)	(78)
Depreciation of tangible fixed assets	74,240	75,323
Revaluation of fixed asset investments	(52,301)	(67,407)
(Gain)/Loss on sale of fixed asset investments	(81,828)	9,002
Income from investments	(22,382)	(18,129)
Increase / (decrease) in creditors	18,394	(8,375)
Investment management fees	9,768	7,944
Decrease / (increase) in debtors	1,343	6,103
Net cash flow from operating activities	114,981	96,112

20 Related Party disclosure

In previous years, some of the members lent amounts to the charitable company. The balances outstanding at 31 December 2021 were £33,500. These balances are included within other creditors and are all unsecured and interest free.