THE FAVERSHAM MUNICIPAL CHARITIES 2010

England & Wales · Charity number 1140259

Details

Other names	FAVERSHAM MUNICIPAL CHARITIES 2010
Status	Registered
Legal form	Other
Registered	2011-02-07
Register	View on the Charity Commission register

Contact

Address	5 Almshouses South Road Faversham ME13 7LU
Phone	01795532958
Email	office@fmc2010.org.uk

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Activities

Objects: (1)THE OBJECTS OF THE ALMSHOUSE AND CHAPEL BRANCH ARE:(A) THE RELIEF OF POVERTY BY THE PROVISION OF ALMSHOUSE ACCOMMODATION FOR PEOPLE RESIDENT IN THE AREA OF BENEFIT FOR NOT LESS THAN FIVE YEARS PRECEDING APPOINTMENT; AND(B) SUCH CHARITABLE PURPOSES FOR THE BENEFIT OF THE RESIDENTS AS THE TRUSTEES DECIDE.(C) SUBJECT TO THE PROVISIONS OF CLAUSE 5 (POWER TO DISPOSE OF AND REPLACE PURPOSE PROPERTY), THE LAND IDENTIFIED IN PART 1 OF THE SCHEDULE TO THIS SCHEME MUST BE RETAINED BY THE TRUSTEES FOR USE FOR THE OBJECTS OF THE ALMSHOUSE AND CHAPEL BRANCH OF THE CHARITY. THE CHAPEL MUST BE RETAINED BY THE TRUSTEES FOR USE AS A CHAPEL.(2) THE OBJECTS OF THE EDUCATION BRANCH ARE THE ADVANCEMENT OF EDUCATION BY THE PROVISION OF GRANTS AND BURSARIES TO THE ORGANISATIONS OR INDIVIDUALS RESIDENT IN THE AREA OF BENEFIT AND PUPILS OR FORMER PUPILS OF QUEEN ELIZABETH'S GRAMMAR SCHOOL.(3) THE OBJECTS OF THE RELIEF IN NEED BRANCH ARE THE RELIEF OF POVERTY BY THE PROVISION OF GRANTS AND PAYMENTS TO ORGANISATIONS OR INDIVIDUALS RESIDENT IN THE AREA OF BENEFIT.(4) THE OBJECTS OF THE RECREATION GROUND BRANCH ARE:(A) THE PROVISION OF A RECREATION GROUND IN THE AREA OF BENEFIT FOR THE BENEFIT AND ENJOYMENT OF THE PUBLIC;(B) SUBJECT TO THE PROVISIONS OF CLAUSE 5 (POWER TO DISPOSE OF AND REPLACE PURPOSE PROPERTY), THE LAND IDENTIFIED IN PART 2 OF THE SCHEDULE TO THIS SCHEME MUST BE RETAINED BY THE TRUSTEES FOR USE FOR THE OBJECTS OF THE RECREATION GROUND BRANCH OF THE CHARITY.

Activities: General charitable purposes education/training/accommodation/housing/heritage/relief of poverty

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space
- **What:** General Charitable Purposes, Education/training, The Prevention Or Relief Of Poverty, Accommodation/housing, Environment/conservation/heritage, Recreation
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** THE TOWN OF FAVERSHAM
- Kent

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Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£2,512,622	£690,899	£5,318,820	6
2024-12-31	£492,088	£566,511	-	-
2023-12-31	£413,941	£440,325	-	-
2022-12-31	£470,380	£460,216	-	-
2021-12-31	£481,983	£434,964	-	-
2020-12-31	£422,130	£351,797	-	-

Trustees

Name	Role	Appointed
Municipal Charities of Faversham		2024-05-31

Linked charities

- THE FAVERSHAM HERITAGE FUND AND HENRY HATCH CHARITY (1140259-1)

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THE FAVERSHAM MUNICIPAL CHARITIES 2010

England & Wales - Charity number 1140259

Accounts

Charity number 1140259

THE FAVERSHAM MUNICIPAL CHARITIES 2010

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

THE FAVERSHAM MUNICIPAL CHARITIES 2010

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THE FAVERSHAM MUNICIPAL CHARITIES 2010

LEGAL AND ADMINISTRATIVE DETAILS

Trustees	Municipal Charities of Faversham
Charity registration number	1140259
Registered office	5 The Almshouses South Road Faversham Kent ME13 7LU
Auditors	Magee Gammon Corporate Limited Henwood House Henwood Ashford Kent TN24 8DH
Bankers	National Westminster Bank Canterbury City Centre 11 The Parade Canterbury CT1 2SQ Schroders Personal Wealth 1 London Wall London EC2Y 5EA
Solicitors	Furley Page 39 St Margaret's Street Canterbury CT1 2TX

THE FAVERSHAM MUNICIPAL CHARITIES 2010

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

The Trustees present their annual report together with the audited financial statements of the charity Faversham Municipal Charities 2010 ("the Charity") for the year 1 January 2025 to 31 December 2025.

The members of the Board of Trustees who have served during the year were:

Municipal Charities of Faversham (registered charity 1190042)

The members of the Board of Trustees of Municipal Charities of Faversham (CIO) during the year were:

Mr D H S Simmons, Chair
Mr S A Fisher (resigned 14 April 2025)
Mr M S Gates, Vice Chair
Ms J Hennessey
Cllr C Jackson
Cllr C Martin
Cllr T Martin
Mrs D Neame (resigned 15 January 2025)
Mr B Planner
Mrs A Reynolds
Cllr J Rowlands (appointed by Faversham Town Council 15 April 2025)
Mr A Shepherd
Mrs J Stonor (co-opted 15 January 2025)
Mrs M Vanden Berghe
Dr E J Wilcox
Mr L Young (resigned 17 April 2026)

1. STRUCTURE, GOVERNANCE AND MANAGEMENT

1.1 Constitution

The Charity has one corporate trustee, the Municipal Charities of Faversham (CIO), registered with the Charity Commission (number 1190042), which in turn has a Board of Trustees and it is they who administer the unincorporated trust, Faversham Municipal Charities 2010 ("the Charity"). The Charity exists under its governing instrument, a Charity Commission scheme of 11 December 2012, as amended on 31 May 2024, and, in relation to the Faversham Heritage Fund and Henry Hatch Charity, is governed by a Charity Commission scheme of 29 November 2012, as amended on 31 May 2024. Its area of benefit is the town of Faversham as at 2012.

The Charity's principal objectives are relief of poverty by provision of almshouses; advancement of education by provision of grants and bursaries to organisations or individuals; relief of poverty by the making of grants and payments to organisations or individuals; and provision of a recreation ground. The principal objectives of the heritage charity are preservation and improvement of historic buildings and townscape and landscape.

There have been no changes in the objectives since the last annual report.

1.2 Method of appointment or election of trustees

The CIO is sole corporate trustee of the Charity and of the Faversham Heritage Fund and Henry Hatch Charity by virtue of its scheme of 29 November 2012, as amended on 31 May 2024. Under the scheme there should be five nominated trustees appointed for a four-year term by Faversham Town Council at a meeting of the council and ten co-opted trustees appointed for a five-year term by the trustees at a special meeting.

In recent years, co-options of new co-opted trustees (other than co-options of a trustee who was immediately previously a council appointee) have mostly been by election from two or three candidates, who are asked to provide a CV. In appointing a co-opted trustee, the trustees are mindful of the types of professional and volunteer experience that would assist the Charity's work.

New trustees are given the Charity's governing instrument and latest accounts and a trustee declaration and are invited to meet the Clerk and view the Charity's almshouses site.

1.3 Organisational structure and decision making

Management of the Charity is the responsibility of the Trustees.

The Board of Trustees has overall responsibility for achieving the Charity's aims and objectives.

The Trustees meet quarterly to review the Charity's strategy and performance and to set objectives, operating plans and budgets. A General Purposes Committee deals with day-to-day running of the Charity, meeting in most months between quarterly meetings. The Appointments and Welfare Committee meets as needed to consider matters relating to almshouse residency. Working groups are occasionally appointed for particular purposes.

1.4 Risk management

The trustees have assessed the major risks to which the Charity is exposed, in particular those related to operations and finances of the Charity and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

1.5 Trustees' indemnities

Charity Protection Policy is in place with a £1 million limit of indemnity, which meets Charity Commission requirements.

2. OBJECTIVES AND ACTIVITIES

2.1 Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission and Homes England relating to public benefit.

The charities administered by the Trustees are set out below with general notes on the operations and have all been disbursed in accordance with their respective schemes. Exact financial details are set out in the final accounts. The Trustees have reviewed the operation of these charities and are satisfied that they provide funds and grants for purposes that are charitable and of public benefit.

The Charity comprises four branches with the following objectives:

Almshouse and Chapel Branch
For relief of poverty by provision of almshouse accommodation for people resident in the area of benefit for not less than five years preceding appointment and for such charitable purposes for the benefit of the residents as the trustees decide.

Education Branch
For the advancement of education by the provision of grants and bursaries to organisations or individuals resident in the area of benefit and pupils or former pupils of Queen Elizabeth's Grammar School.

Relief in Need Branch
For relief of poverty by provision of grants and payments to organisations or individuals resident in the area of benefit.

Recreation Branch
For provision of a recreation ground in the area of benefit for the enjoyment of the public.

and The Faversham Heritage Fund and Henry Hatch Charity (linked charity 1140259-1), whose objects are preservation and improvement of historic buildings, the distinctive character of the townscape, landscape and the creek and preservation of historic artefacts, regalia and ceremonials in the area of benefit.

2.2 Grant-making policies

Grants are made to applicants in accordance with the provisions of the trust schemes.

3. ACHIEVEMENTS AND PERFORMANCE

3.1 Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details about adoption of the going concern basis are in the Accounting Policies.

3.2 Review of activities

In June 2020, the Charity Commission confirmed that the Municipal Charities of Faversham (CIO) had been successfully registered, following a process that began in 2017. In May 2024, the CIO became sole corporate trustee of the Charity and the Faversham Heritage Fund and Henry Hatch Charity following the satisfactory completion of processes with Homes England and the Charity Commission. The CIO holds the assets ie Faversham Almshouses and the Faversham Recreation Ground.

During the year, work continued to develop policy documents, to assist with the management of the Charity.

The Trustees have reviewed the operation of the Charity and are satisfied that they have complied with their duty to have due regard to public benefit guidance when exercising their charitable purposes.

The Trustees, at their April meeting, reviewed reserve funds of the four branches and the heritage charity and were satisfied that income had largely either been used or was being held ready for grant-recipients' projects to begin, with no undue accumulation.

This report provides highlights of the year. Grant-giving is reported for each branch.

Almshouse and Chapel Branch

Provision of Almshouses

The branch provides, at its site in South Road, Faversham, 69 almshouse units for about 75 beneficiaries, together with a chapel, a residents' lounge, a laundry room and a guest room.

The work of this branch is primarily supported by investment income and by weekly maintenance contributions from almshouse residents.

The 2021 quinquennial inspection of the building by our architects identified that the roofs of the main 1863 building need repairing urgently. The work to repair the roof of the southern block began in August 2023 and was completed in August 2024. The work to repair the northern block commenced in July 2025 and is due to be completed in June 2026. A loan from the Charity Bank was taken out to cover part of the cost of repair. Fundraising initiatives for this essential work are ongoing.

The Charity continued its programme of ongoing maintenance, repair and refurbishment during the year. Repair spending was £43,241 for general everyday issues, and Cyclical Maintenance Fund spending was £134,160, which included refurbishment of seven flats.

The annual internal inspection of Residents' flats by a Surveyor, was undertaken in November 2025, this was preceded by a mid-year inspection by the Charity's staff.

The Charity's Appointments and Welfare Committee continues to monitor and refine processes for selecting almshouse residents to ensure that these processes are transparent and ensure appropriate appointments are in line with the Charity's scheme. Seven flats changed hands during the year. When there has been a change of occupant, each flat has been upgraded.

The Charity took part in the South and South East in Bloom competition and was awarded a Level 5 Award in the "It's Your Neighbourhood" category by the Royal Horticultural Society. The grounds are not only tended to by professional gardeners, but also by some of the Residents.

Benefits to residents

The Almshouses provide good accommodation and a supportive environment for about 75 beneficiaries. The Charity works with various public agencies in admitting and supporting some residents with particular problems, so providing a wider benefit to society. The importance of the Almshouses' service to the Faversham community has been increased by major housing associations' closure of two sites of sheltered housing for the elderly in the town in recent years.

Residents' Satisfaction Survey

The Charity is committed to improving services and to reviewing what are the most prominent Issues and priorities for our residents by gathering their valuable feedback. A summary of the Residents' Satisfaction Survey carried out in 2024 are below:

Question	Very Satisfied	Fairly Satisfied
Satisfaction with overall service	58%	26%
Satisfaction with repairs service from the Charity	58%	31%
Satisfaction with time taken to complete most recent repair	54%	27%
Satisfaction with providing a home that's well maintained	61%	29%
Satisfaction of felling safe living in your almshouse	61%	29%
Satisfaction that the Charity listens to your views and acts upon them	55%	29%
Satisfaction that the Charity keeps you informed about things that matter to you	58%	29%
Satisfaction that the Charity "treats me fairly and with respect"	52%	32%
Satisfaction with the way that the Charity responds to complaints	30%	40%
Satisfaction that the Charity keeps communal areas clean and well maintained	63%	30%
Satisfaction that the Charity makes a positive contribution to neighbourhoods	55%	26%
Satisfaction with the way in which the Charity tackles anti-social behaviour	61%	19%

Complaints

The Complaints Policy was updated during the year to meet the requirements of the Housing Ombudsman Complaint Handling Code 2024. A copy of the policy is available on the Charity's website and in the Resident's Handbook. There were six complaints during the year, all of which

related to anti-social behaviour concerns. None of the complaints were referred to, or investigated by, the Housing Ombudsman Service.

Chapel
Trustees reappointed as Chaplain the Rev Simon Rowlands, Priest-in-charge at St Mary of Charity. During the year, there was an increase in the use of the Chapel by external groups including the Faversham Literary Festival, choirs, professional musicians and youth groups. Over 400 people attended events during December alone.

Education Branch
Trustees provided, for pupils of Queen Elizabeth's Grammar School, three prizes of £80 each for academic excellence and three £80 awards to support students in continuing education. The three awards for support in tertiary education were listed as Andrew Telfer memorial awards.

A grant of £500 was awarded during the year to the 7th Faversham Scout Group. Under Scheme Clause 39(6), on reallocating surplus income, £2,210 was set aside towards the repair of the Almshouse roof.

Relief in Need Branch
A grant of £305 was awarded towards the cost of a new cooker. Under Scheme Clause 39(6), on reallocating surplus income, £3,742 was set aside to help with the repair of the Almshouse roof.

FMC Recreation Branch
Ownership of the freehold of the 20-acre Faversham Recreation Ground, operated by Swale Borough Council as lessee, has been transferred from the Charity to the CIO. The Charity holds modest funds for recreation branch purposes.

Trustees continue to seek to ensure that the Rec serves for the benefit and enjoyment of the public. Trustees are mindful that the governing instrument by which they are bound specifically requires that the Rec be used as a public recreation ground.

Under Scheme Clause 39 (6), on reallocating surplus income, £220 was set aside towards the repair of the Almshouses roof.

The Faversham Heritage Fund and Henry Hatch Charity
A grant of £2,904 was awarded during the year to Faversham Town Council towards the repair of Faversham town's regalia. £3,125 was set aside towards the repair of the Almshouses roof.

3.3 Investment policy and performance
The portfolio finished the year £90,143 above the 1 January 2025 figure.

Trustees monitor investments, and a Schroders representative attends a full trustee meeting twice a year to give updates and answer questions. COIF is used to hold some funds for particular purposes.

4. FINANCIAL REVIEW

4.1 Reserves policy
In order to fund the maintenance and repair of the almshouse property from its own resources, the Charity holds cash and investments to generate income. If required, all opportunities for grants from statutory authorities and other funders will be accessed. Cyclical and extraordinary repairs are funded annually out of current-year income from the weekly maintenance contributions from residents of the almshouses, together with improvements in accommodation as dwellings become vacant.

4.2 Principal funding

The gifts of past benefactors, mainly in wills, form the basis of the present charities and enable the Trustees to support Faversham today. Money donated in this way is invested so that income may be available for present and future generations.

4.3 Material investments policy

Schroders Personal Wealth manages the Charities' main investments, seeking a balanced return through a diversified portfolio of collective instruments.

4.4 Legacy Income

As at 31 December 2025, the charity had been notified of one residuary legacy, the value of which is uncertain being receivable from the estate of Mr J N Coulter. At 31 December 2025, the legacy had a value of £2,022,156.75 and this amount is included in these financial statements at the amount expected to be received.

5. VALUE FOR MONEY (VFM)

This report sets out our VFM performance looking back over 2025 and provides VFM targets going forward. It aims to provide the reader with a transparent account of how we are striving to make the most of the resources at our disposal in the pursuit of our strategic objectives. We positively encourage feedback and challenge from our customers and other stakeholders on our VFM performance. The report is structured to meet the requirements of the VFM standard of the Regulator of Social Housing, with which we must comply as a Registered Provider.

Metric	RSH metrics	2025	2026 Target	Global accounts lower quartile
Reinvestment %	Yes	1%	5%	5.3%
New supply delivered %	Yes	0%	0%	0.6%
New social housing supply	Yes	0%	0%	
New non-social housing supply	Yes	0%	0%	0%
Gearing % - debt as a percentage of assets	Yes	10%	9%	35.0%
EBITDA MRI Interest Cover %	Yes	10363%	60%	62.2%
Headline social housing cost per unit	Yes	£10,250	£10,000	£5,025
Operating margin % - social housing	Yes	-8.91%	10%	15.0%
Operating margin % - overall	Yes	76.04%	10%	11.8%
Return on capital employed (ROCE) %	Yes	28.44%	2%	2.3%

In a very difficult year, our staff have performed extremely well in continuing, and improving, the provision of social housing. As a charity, we would expect our costs to be greater, and our operating margins and return on capital employed to be lower, than the global metrics, to meet our charitable aims. The Charity uses its resources to maintain the properties to a high standard, and to make improvements where possible, rather than acquiring new units; this strategy is unlikely to change in the foreseeable future, as a significant improvement programme is planned to commence in the current year.

6. FUTURE DEVELOPMENTS

The Quinquennial Report in 2021 identified that the roofs of the main 1863 building need repairing urgently. The work to repair the roof of the south-eastern block began in August 2023 and was completed in August 2024. The work to repair the north-western block commenced in July 2025 and is due to be completed in June 2026. A loan from the Charity Bank was taken out to cover part of the cost of repair. Fundraising initiatives for this essential work are ongoing.

7. EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Employees are kept informed of all matters that may directly affect them, and also on the day-to-day running of the Charity. In particular, regular consultations take place specifically regarding residents and their welfare, and on matters identified which may require an update of policy. All employee issues are discussed with Trustees, and support and/or appropriate action taken without delay.

In accordance with the requirement for equal opportunities, the Charity has established fair employment practices in recruitment, selection etc of disabled staff.

Staff remuneration is reviewed annually and any increases are based upon inflation figures. When available, more specific comparisons are made with other almshouse charities of a similar size and operation.

8. TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees 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 the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions and 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 Statement of Recommended Practice Accounting by Registered Social Housing Providers 2014 and the Accounting Direction for Private Registered Providers of Social Housing 2015 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees, on ..13th. May.... 2026 and signed on their behalf by:

.....
Mr D H S Simmons, Chair

.....
Mr M Gates, Vice Chair

..Carolyn Flanagan.
Mrs C Flanagan, Clerk to the Trustees

THE FAVERSHAM MUNICIPAL CHARITIES 2010

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FAVERSHAM MUNICIPAL CHARITIES 2010

Opinion

We have audited the financial statements of Faversham Municipal Charities 2010 (the 'charity') for the year ended 31 December 2025 which comprise the statement of comprehensive income, the statement of changes in equity, the statement of financial position, the statement of cash flows and the related notes. 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).

The financial statements have been prepared in accordance with The Accounting Direction for Private Registered Providers of Social Housing from April 2015 and the Statement of Recommended Practice (SORP) Accounting by registered social housing providers (updated 2018).

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2025, 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 Charities Act 2011, the Housing and Regeneration Act 2008 and The Accounting Direction for Social Housing in England from April 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FAVERSHAM MUNICIPAL CHARITIES 2010

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

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 trustees

As explained more fully in the statement of trustees' responsibilities set out on page 8, the trustees 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FAVERSHAM MUNICIPAL CHARITIES 2010

Auditors' 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 Auditors' 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:

Capability of the audit in detecting irregularities including fraud

Based on our understanding of the Charity, we have considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011. We evaluated management incentives and opportunities for fraudulent manipulation of the financial statements including management override, and considered that the principal risk was related to the posting of inappropriate journal entries to improve the result before tax for the year.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

Procedures performed by the audit team included:

- Discussions with management regarding known or suspected instances of non-compliance with laws and regulations;
- Evaluation of controls designed to prevent and detect irregularities; and
- Assessing journal entries as part of our planned audit approach.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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.

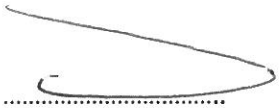
Magee Gammon Corporate Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE FAVERSHAM MUNICIPAL CHARITIES 2010

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FAVERSHAM MUNICIPAL CHARITIES 2010

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Account 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 trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



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Mr Andrew J Childs FCA (Senior Statutory Auditor)
For and on behalf of Magee Gammon Corporate Limited
Chartered Accountants
Statutory Auditor
Henwood House
Henwood
Ashford
Kent
TN24 8DH

Date: 22 MAY 2026

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 Restricted £	2025 Unrestricted £	2025 Total £	2024 Total £
Turnover	3	-	412,212	412,212	379,409
Operating costs					
Direct costs	8	(672)	(572,327)	(572,999)	(264,545)
Support costs	9	(225)	(74,757)	(74,982)	(71,467)
		(897)	(647,084)	(647,981)	(336,012)
Operating (deficit)/surplus		(897)	(234,872)	(235,769)	43,397
Other income					
Donations and legacies	2	30,000	2,023,701	2,053,701	49,789
Interest receivable and other income	4	6,888	39,821	46,709	62,890
Gains on investment disposals	17	819	4,257	5,076	133,939
		37,707	2,067,779	2,105,486	246,618
Other expenditure					
Interest payable	14	-	(18,243)	(18,243)	(16,195)
Investment management expenses	5	(1,194)	(6,209)	(7,403)	(7,431)
Grants payable	6	(3,534)	(1,334)	(4,868)	(1,572)
Governance costs	10	(1,208)	(16,064)	(17,272)	(32,808)
(Deficit)/Surplus for the year		30,874	1,791,057	1,821,931	232,009
Unrealised gains/(losses) on investments	17	14,417	74,241	88,658	(79,076)
Total comprehensive income/ (expenditure) for the year		45,291	1,865,298	1,910,589	152,933

On behalf of the trustees:

David Simmons
Mr D H S Simmons, Chairman
(on behalf of the CIO)

Mr M Gates, Vice Chairman
(on behalf of the CIO)

Carolyn Flanagan
Mrs C Flanagan, Clerk to the Trustees

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF CHANGES IN EQUITY
ENDED 31 DECEMBER 2025

	Revenue Reserves £	Designated Reserves £	Restricted Funds £	Total £
Balance at 1 January 2024	2,616,697	418,479	220,116	3,255,292
Surplus / (deficit) from statement of comprehensive				
Income	223,225	(55,922)	64,709	232,012
Unrealised (losses) / gains on investments	(61,030)	(8,699)	(9,346)	(79,075)
	2,778,892	353,858	275,479	3,408,229
Transfers between funds	168,547	(129,283)	(39,263)	-
Balance at 31 December 2024	2,947,439	224,576	236,216	3,408,229
Balance at 1 January 2025	2,947,439	224,576	236,216	3,408,229
Surplus / (deficit) from statement of comprehensive income	1,913,903	(122,844)	30,874	1,821,933
Unrealised (losses) / gains on investments	74,965	(725)	14,417	88,658
	4,936,307	101,006	281,507	5,318,820
Transfers between funds	(79,965)	109,230	(29,265)	-
Balance at 31 December 2025	4,856,342	210,237	252,242	5,318,820

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF FINANCIAL POSITION
AS AT YEAR ENDED 31 DECEMBER 2025

	Notes	2025		2024
		£	£	£
Fixed assets				
Tangible fixed assets	16		2,825,547	2,814,026
Investments	17		1,454,921	1,377,409
			4,280,468	4,191,435
Current assets				
Trade and other debtors	18	2,319,362	224,081	
Cash and cash equivalents	27	196,468	179,254	
		2,515,830	403,335	
Creditors: amounts falling due within one year	19	(77,673)	(60,852)	
Net current assets			2,438,157	342,483
Total assets less current liabilities			6,718,625	4,533,918
Creditors: amounts falling due after more than one year	20		(1,399,805)	(1,125,688)
Total net assets			5,318,820	3,408,230
Reserves	24			
Revenue reserve			4,856,342	2,947,438
Designated reserves			210,237	224,575
Restricted reserves			252,242	236,214
			5,318,820	3,408,230

These financial statements were approved by the trustees and authorised for issue on 13th May 2026.

On behalf of the trustees:

Mr D H S Simmons, Chairman
(on behalf of the CIO)

Mr M Gates, Vice Chairman
(on behalf of the CIO)

Carolyn Flanagan
Mrs C Flanagan, Clerk to the Trustees

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 £	2024 £
Net cash generated from operating activities	(308,658)	201,004
Cash flow from investing activities		
Dividends, interest and rents from investments	46,709	62,890
Purchase of tangible fixed assets	(38,463)	(507,298)
Proceeds from sales of investments	85,903	1,547,048
Purchase of investments	(69,682)	(1,294,094)
	24,467	(191,454)
Cash flow from financing activities		
Repayment of borrowings	301,405	(1,694)
	301,405	(1,694)
Net change in cash and cash equivalents	17,214	7,856
Cash and cash equivalents at the beginning of the year	179,254	169,664
Cash and cash equivalents at the end of the year	196,468	179,254

1. Accounting policies

1.1 Basis of preparation

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. The departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015 and Charities Act 2011.

The Faversham Municipal Charities 2010 constitutes a public benefit entity as defined by FRS 102.

1.2 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution has been made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Turnover represents rental income (net of void losses), other income receivable from properties owned by the Association and amortisation of Social Housing Grant (SHG) under the accrual method.

1. Accounting policies (continued)

1.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measure reliably. Expenditure is classified by activity. The costs of each activity are made up of the total direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support cost which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include projects managements carried out at Headquarters. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred to the Charity's educational operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as commitment, but not accrued as expenditure.

1.4 Tangible fixed assets and depreciation

A review for impairment of a fixed assets is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of comprehensive income.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairments. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimate residual value, over their expected useful lives on the following bases:

Freehold Property	50 years
Fixtures and fittings	25 years
Roofs	50 years
Bathrooms	25 years
Kitchens	25 years
Boilers	20 years

1. Accounting policies (continued)

Freehold land is not subject to depreciation.

Housing properties are stated at their historical cost less depreciation and any provision for impairment. Costs include the cost of acquisition, construction and improvement. Improvements are works which results in an enhancement of the economic benefits of the asset to the Charity arising from an increase in the net rental income over the life of the asset, such as the reduction of future maintenance costs, or which results in the significant extension of the useful economic life of the property.

Depreciation is charged so as to write down the cost or valuation (net of Housing Association Grant, and other capital grants) of the freehold housing properties and major components on a straight-line basis over their expected useful economic lives. Major components are treated as separable assets and depreciated over their expected useful economic lives or he lives of the structure to which they relate, if shorter.

The estimated useful economic life for each component has been based on the Charity's current experience of component replacement. The Charity will continue to monitor and review the useful economic life of each component and make revisions where sustained material changes occur.

Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any write down would be charged to the operating surplus.

1.5 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Statement of financial position date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/ (losses) on investments on the Statement of comprehensive income.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.7 Debtors

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

1.8 Cash at bank and in hand

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

1. Accounting policies (continued)

1.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Statement of financial position date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.11 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

1.12 Fund accounting

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

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors of which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

1.13 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are discussed below.

1. Accounting policies (continued)

Critical areas of judgement:

The trustees have reviewed the asset lives and residual values of all fixed asset classes and have concluded that the asset lives and residual values are appropriate.

1.14 Social Housing Grant

Social Housing Grant (SHG) is used to reduce the capital costs of housing property. SHG is initially recognised at fair value as a long-term liability, specifically as deferred grant income, and released through the income and expenditure as turnover income over the life of the structure of the housing properties in accordance with the accrual method applicable to social housing landlords holding housing properties at cost.

1.15 Cyclical Repairs and Maintenance

The Charity has established a regular programme of cyclical repairs and maintenance. Costs are charged to the Revenue account in the year in which they are incurred.

1.16 Extraordinary Repairs

Costs of Extraordinary Repairs unless representing improvements to the properties, are charged to the Revenue account in the year in which they are incurred. The Extraordinary Repairs Reserve represents the amounts set aside to carry out major repairs on Housing properties.

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2025

2. Income from donations and legacies

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Donations	-	1,544	1,544	738
Legacies	-	2,022,157	2,022,157	-
Grants	30,000	-	30,000	49,051
	30,000	2,023,701	2,053,701	49,789
Total 2024	*45,000*	*4,789*	*49,789*	

3. Turnover from social housing lettings

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Weekly maintenance contributions	-	432,578	432,578	415,826
Less: losses from voids	-	(42,079)	(42,079)	(58,130)
	-	390,499	390,499	357,696
Social housing grant utilised	-	21,713	21,713	21,713
	-	412,212	412,212	379,409
Total 2024	-	*379,409*	*379,409*	

Accommodation in management

	2025	2024
Housing for older people in need	69	69

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2025

4. Investment Income

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Local listed investments	6,723	30,246	36,969	59,197
Local investment properties	-	18	18	18
Local cash	165	9,557	9,722	3,675
	6,888	39,821	46,709	62,890
Total 2024	*6,923*	*55,967*	*32,890*	

5. Investment management costs

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Investment management fees	1,194	6,209	7,403	7,431
	1,194	6,209	7,403	7,431
Total 2024	*1,190*	*6,444*	*7,431*	

6. Analysis of grants

	Grants to Individuals 2025 £	Grants to Institutions 2025 £	Total 2025 £	Total 2024 £
Almshouse & Chapel Branch	-	-	-	-
Relief in Need Branch	305	-	305	-
Education Branch	1,029	-	1,029	1,572
The Faversham Heritage Fund & Henry Hatch Charity	-	3,534	3,534	-
Recreation Branch	-	-	-	-
	1,334	3,534	4,868	1,572
Total 2024	*572*	*1,000*	*1,572*	

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

7. Analysis of expenditure on charitable activities

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Almshouse & Chapel Branch	-	664,784	664,784	351,034
Relief in Need Branch	-	523	523	209
Education Branch	-	1,250	1,250	1,782
The Faversham Heritage Fund & Henry Hatch Charity	3,759	-	3,759	213
Recreation Branch	-	104	104	102
	3,759	666,661	670,420	353,340
Total 2024	*273*	*353,127*	*353,340*	

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2025

8. Direct costs

	Almshouse & Chapel Branch £	Relief in Need Branch £	Education Branch £	Recreation Branch £	Heritage and Hatch Charity £	Total 2025 £	Total 2024 £
Rates	394	-	-	-	-	394	212
Insurance	26,865	-	-	-	-	26,865	30,013
Light & heat	52,086	-	-	-	-	52,086	38,700
Building repairs	369,220	-	-	-	672	369,892	102,160
Equipment repairs	11,969	-	-	-	-	11,969	15,260
Grounds upkeep	14,712	-	-	-	-	14,712	12,781
Wages and salaries	67,592	-	-	-	-	67,592	48,322
National insurance	1,198	-	-	-	-	1,198	298
Pension cost	1,349	-	-	-	-	1,349	867
Depreciation	26,942	-	-	-	-	26,942	15,932
	572,327	-	-	-	672	572,999	264,545
Total 2024	*264,108*	-	-	-	*437*	*264,545*	

9. Support costs

	Almshouse & Chapel Branch	Relief in Need Branch	Education Branch	Recreation Branch	Heritage and Hatch Charity	Total 2025	Total 2024
	£	£	£	£	£	£	£
Office	14,662	218	221	104	225	15,430	14,084
Wages and salaries	56,198	-	-	-	-	56,198	53,229
National insurance	1,677	-	-	-	-	1,677	2,557
Pension cost	1,677	-	-	-	-	1,677	1,595
	74,214	218	221	104	225	74,982	71,465
Total 2024	*70,731*	*209*	*210*	*102*	*213*	*71,465*	

10. Governance costs

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Auditor's remuneration	1,094	11,122	12,216	9,516
Legal & professional fees	7	4,485	4,492	22,627
Trustee indemnity insurance	107	457	564	665
	1,208	16,064	17,272	32,808
Total 2024	*2,020*	*30,788*	*32,808*	

During the year ended 31 December 2025, the Charity incurred the following governance costs:

£14,014 (*2024-£27,361)* included within the table above in respect of the Almshouse & Chapel Branch.
£861 (*2024-£1,439)* included within the table above in respect of the Relief in Need Branch.
£988 (*2024-£1,651*) included within the table above in respect of the Education Branch.
£202(*2024-£2,020*) included within the table above in respect of the Recreation Branch.
£1,208 (*2024-£337)* included within the table above in respect of The Faversham Heritage Fund and Henry Hatch Charity.

11. Analysis of expenditure by expenditure type

	Staff costs 2025 £	Depreciation 2025 £	Other costs 2025 £	Total 2025 £	Total 2024 £
Investment management fees	-	-	7,403	7,403	7,431
Costs of raising funds	-	-	7,403	7,403	7,431
Almshouse & Chapel Branch	129,691	26,942	508,151	664,784	349,524
Relief in Need Branch	-	-	523	523	209
Education Branch	-	-	1,250	1,250	1,782
The Faversham Heritage Fund & Henry Hatch Charity	-	-	3,759	3,759	213
Recreation Branch	-	-	104	104	102
Charitable activities	129,691	26,942	513,787	670,420	351,830
Expenditure on governance	-	-	17,272	17,272	32,808
	129,691	26,942	538,462	695,095	392,069
Total 2024	*106,868*	*15,932*	*269,269*	*392,069*	

12. Net income / (expenditure)

	2025 £	2024 £
Auditor's remuneration	12,216	9,516
Depreciation	26,942	15,932

No trustees received any remuneration, benefits in kinds or reimbursement of expenses (2024 - £nil).

The Clerk to the Trustees received emoluments of £56,198 (2024 - £53,229).

13. Staff costs

	2025 £	2024 £
Wages and salaries	123,790	101,551
Social security costs	2,875	2,855
Pension costs	3,026	2,462
	129,691	106,868

The average number of persons employed by the charity during the year was as follows:

	2025 No.	2024 No.
Scheme Manager (Part time)	1	2
Caretaker and grounds maintenance and cleaner	3	2
Administration	2	2
	6	6

No employee received remuneration above £60,000 (2024 – none).

14. Interest payable

	2025 £	2024 £
On loans wholly or partly payable in > 5 years	18,243	16,195

15. Taxation

Factors affecting tax charge for the year

The Housing Association is a Registered Charity and is therefore exempt from liability to taxation on its income and capital gains.

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

16. Tangible fixed assets

	Freehold property 2025 £	Fixtures and fittings 2025 £	Total 2025 £
Cost or valuation			
At 1 January 2025	3,261,383	410,456	3,671,839
Additions	-	38,463	38,463
Disposals	-	-	-
At 31 December 2025	3,261,383	448,919	3,710,302
Depreciation			
At 1 January 2025	768,077	89,736	857,813
Charge for the year	9,739	17,203	26,942
Depreciation on disposals	-	-	-
At 31 December 2025	777,816	106,393	884,755
Net book value			
At 31 December 2025	2,483,567	341,980	2,825,547
At 31 December 2024	2,493,306	320,720	2,814,026

The above details relate to improvements and developments of the properties which were transferred on 1 January 2013 from Faversham United Municipal Charities and there are no records of the original cost of them.

They were funded by Housing Corporation Grants totalling £1,737,009.91 and Residual Mortgage Loans of £57,523 at an annual interest rate of 14% per annum over 30 years from 1 November 1982, and £190,465.24 at an annual interest rate of 9.375% per annum over 60 years from 1 October 1989. The balance was provided from the Charity's resources.

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2025

17. Investments

	2025 £	2024 £
SPW Global Corporate Bond Q Inv – 104,559.49 units (2024 – 104,559.49)	108,324	106,755
SPW Global Government Bond Fund Q – 219,931.17 units (2024 – 223,952.82)	228,948	228,880
Schroder Global Equity Component Fund – 229,384.8 units (2024 – 243,094.24)	135,566	129,253
Schroder Global Equity Income Fund – 226,814.28 units (2024 – 224,332.96)	227,722	198,041
Schroder Income Fund – 131,749.46 units (2024 – 141,543.29)	110,839	97,792
SPW Global (Ex UK) Equity Fund Q Inc – 166,315.69 units (2024 – 64,359.43)	197,563	188,544
iShares North American Fund – 276.61 units (2024 – 554,41)	4,325	7,949
ICVC High Income & Emerging Market – 58,533.32 units (2024 – 58,533.32)	47,950	48,161
ICVC Global Investment Bond Fund - 127,168.53 units (2024 – 127,168.53)	110,230	108,131
ICVC Global Sovering Bond Fund – 265,430.13 units (2024 – 253,476.04)	238,277	226,734
Vanguard Emerging Market Index Fund – 18,19 units (2024 – 0)	4,238	-
iShares ex-UK Index Fund – 306.57 units (2023 – 18,678,37)	4,498	-
Charities Investment Fund ERF Scheme – 142.61 units (2024 – 242.61)	36,441	37,166
	1,454,921	1,377,408

The cost of investments at 31 December 2025 is as follows:

SPW Global Corporate Bond Q Inv	107,592	107,592
SPW Global Government Bond Fund Q	227,409	231,567
Schroder Global Equity Component Fund	118,831	125,923
Schroder Global Equity Income Fund	199,779	197,613
Schroder Income Fund	89,158	98,786
SPW Global (Ex UK) Equity Fund Q Inc	155,717	166,961
iShares North American Fund	3,758	6,860

ICVC High Income & Emerging Market	44,038	44,038
ICVC Global Investment Bond Fund	100,782	100,782
ICVC Global Sovering Bond Fund	239,012	228,332
Vanguard Emerging Market Index Fund	3,921	-
iShares ex-UK Index Fund	4,321	-
Charities Investment Fund ERF Scheme	11,219	11,219
	1,305,527	1,319,672

17. Investments (continued)

	2025 £	2024 £
Market Value at 1 January	1,377,406	1,575,500
Additions	69,682	1,294,094
Disposals	(85,903)	(1,547,048)
Realised surplus	5,076	133,939
Unrealised deficit	88,658	(79,076)
	1,454,921	1,377,406

18. Trade and other debtors

	2025 £	2024 £
Social housing rent arrears	4,348	4,262
Other debtors	2,022,157	-
Prepayments and accrued income	292,857	219,819
	2,319,362	224,081

19. Creditors: amounts falling due within one year

	2025 £	2024 £
Other loans	7,121	1,546
Accruals and deferred income	48,480	37,593
Deferred grant	21,713	21,713
	77,674	60,852

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

20. Creditors: amounts falling due after more than one year

	2025 £	2024 £
Deferred grant	933,629	955,342
Other loans	466,176	170,346
	1,399,805	1,125,688

21. Deferred income

	2025 £	2024 £
Balance brought forward	9,630	4,653
Released in year	(9,630)	(4,653)
Deferred during the year	20,529	9,630
Balance carried forward	20,529	9,630

22. Deferred grants

	2025 £	2024 £
Balance brought forward	977,055	998,768
Released in year	(21,713)	(21,713)
Balance carried forward	955,342	977,055

The deferred grants represents a capital grant received in 1980-84, 1988-91, 2003 and 2004-05 for the modernisation of the Almshouses, building of new Almshouses, replacing gas boilers and windows. The grant is being released over the estimated useful life of the property in association with FRS102.

23. Loans

	2025 £	2024 £
Due within 1 Year	7,121	1,546
Due within 1-2 Years	7,477	1,550
Due within 2-5 Years	22,531	4,750
Due in > 5 Years	436,168	164,049
Balance carried forward	473,297	171,892

Loans are secured over the assets concerned.

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2025

24. Statement of funds

Statement of funds - current year

	Balance at 1 January 2025	Income	Expenditure	Transfers In/out	Gains/ (Losses)	Balance at 31 December 2025
	£	£	£	£	£	£
Designated funds						
Cyclical maintenance fund	104,283	-	(98,394)	120,341	-	126,230
Emergency repair fund	82,153	-	(24,537)	-	(725)	56,891
Housing redevelopment fund	2,028	87	-	-	-	2,115
Roof repair fund	25,000	-	-	-	-	25,000
Roof phase 1 fund	11,111	-	-	(11,111)	-	-
	224,575	87	(122,931)	109,230	(725)	210,237
General funds						
General funds	2,924,736	441,790	(560,048)	(56,386)	53,379	2,803,471
Education branch	8,890	5,629	(3,213)	(11,234)	12,450	12,521
Recreation branch	2,231	1,164	(505)	(2,342)	2,541	3,089
Relief in need branch	11,582	4,907	(2,234)	(10,003)	10,853	15,105
J N Coulter	-	2,022,157	-	-	-	2,022,157
	3,172,013	2,475,734	(688,931)	29,265	78,498	5,066,579
Restricted funds						
Organ maintenance fund	3,113	-	(672)	-	-	2,441
Faversham Heritage fund and HH Charity	233,103	6,888	(6,162)	735	15,236	249,801
Roof repair	-	30,000	-	(30,000)	-	-
	236,216	36,888	(6,834)	(29,265)	15,236	252,242
Total of funds	3,408,229	2,512,622	(695,765)	-	93,734	5,318,820

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

24. Statement of funds (continued)

Statement of funds - Prior Year

	Balance at 1 January 2024	Income	Expenditure	Transfers In/out	Gains/ (Losses)	Balance at 31 December 2024
	£	£	£	£	£	£
Designated funds						
Cyclical maintenance fund	72,036	-	(36,300)	68,547	-	104,283
Emergency repair fund	50,742	-	(29,842)	59,830	1,423	82,153
Housing redevelopment fund	1,913	99	-	17	-	2,028
Roof repair fund	25,000	-	-	-	-	25,000
Roof phase 1 fund	268,788	-	-	(257,677)	-	11,111
	418,479	99	(66,142)	(129,283)	1,423	418,479
General funds						
General funds	2,569,506	428,304	(315,510)	181,128	34,308	2,924,736
Education branch	6,345	5,659	(4,240)	(4,672)	5,798	8,890
Recreation branch	1,498	1,172	(603)	(1,017)	1,181	2,230
Relief in need branch	12,348	4,932	(3,862)	(6,892)	5,055	11,582
	3,035,176	440,165	(390,356)	39,264	47,765	3,172,013
Restricted funds						
Organ maintenance fund	3,550	-	(437)	-	-	3,113
The Faversham Heritage fund and Henry Hatch Charity	216,566	6,923	(3,219)	5,737	7,097	233,103
Roof repair		45,000	-	(45,000)	-	-
	220,116	51,923	(3,656)	(39,263)	7,097	236,216
Total of funds	3,255,292	492,088	(394,013)	-	54,862	3,408,229

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2025

24. Statement of funds (continued)

Summary of funds - Current Year

	Balance at 1 January 2025	Income	Expenditure	Transfers In/out	Gains/ (Losses)	Balance at 31 December 2025
	£	£	£	£	£	£
Designated funds	224,575	87	(122,931)	109,230	(725)	210,237
General funds	2,947,438	2,475,647	(566,000)	(79,965)	79,223	4,856,342
	3,172,013	2,475,734	(688,931)	29,265	78,498	5,066,579
Restricted funds	236,216	36,888	(6,834)	(29,265)	15,236	252,242
	3,408,229	2,512,622	(695,765)	-	93,734	5,318,820

Summary of funds – Prior Year

	Balance at 1 January 2024	Income	Expenditure	Transfers In/out	Gains/ (Losses)	Balance at 31 December 2024
	£	£	£	£	£	£
Designated funds	418,480	99	(66,142)	(129,283)	1,423	224,575
General funds	2,616,697	440,066	(324,214)	168,547	46,342	2,947,438
	3,035,176	465,165	(390,356)	39,264	47,765	3,172,013
Restricted funds	210,116	51,923	(3,656)	(39,264)	7,097	236,216
	3,255,293	492,088	(394,013)	-	54,862	3,408,229

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

25. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	-	2,825,547	2,825,547
Fixed asset investments	233,604	1,221,317	1,454,921
Current assets	18,638	2,497,192	2,515,830
Creditors due within one year	-	(77,674)	(77,674)
Creditors due within more than one year	-	(1,399,805)	(1,399,805)
	252,242	5,066,577	5,318,819

Analysis of net assets between funds - prior year

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	-	2,814,026	2,814,026
Fixed asset investments	216,181	1,161,227	1,377,408
Current assets	20,035	383,300	403,335
Creditors due within one year	-	(60,852)	(60,852)
Creditors due within more than one year	-	(1,125,688)	(1,125,688)
	236,216	3,172,013	3,408,229

26. Reconciliation in net movement in fund to net cash flow from operating activities

	2025 £	2024 £
Net income/(expenditure) for the year	1,910,589	152,935
Adjustments for:		
Depreciation charges	26,942	16,609
(Gains) on investments	(93,734)	(54,863)
Dividends, interest and rents from investments	(46,709)	(62,890)
Loss on the sale of fixed assets	-	-
(Increase) / decrease in debtors	(2,095,281)	166,078
(Decrease) / increase in creditors	(10,465)	(16,189)
Net cash (used in) / by operating activities	(308,658)	201,004

Analysis of net debt

	At 1 January 2025 £	Cash flows £	At 31 December 2025 £
Cash at bank and in hand	179,254	17,214	196,468
Debt due after 1 year	(170,346)	(295,830)	(466,176)
Debt due within 1 year	(1,546)	(5,575)	(7,121)
	7,362	(284,191)	(276,829)

27. Analysis of cash and cash equivalents

	2025 £	2024 £
Cash in hand	196,468	179,254

28. Grant commitments

At the 31 December 2025 the Charity had commitments as follows:

	2025 £	2024 £
Within one year	-	-
Between one and two years	-	-
	-	-

29. Pension commitments

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 £3,026 (2024 - £2,462). Contributions totalling £nil (2024 - £nil) were payable to the fund at the Statement of financial position date.

30. Related party transactions

Cllr Jackson is a member of Swale Borough Council. Cllr C Martin, Cllr T Martin and Cllr Rowlands are members of Faversham Town Council. During the year lease payments were received totalling £1 (2024 - £1) from Swale Borough Council for a recreation park held by the Charity. This is in respect of a long lease entered in 2010. The Councillors cannot use their position to their advantage. No monies were outstanding at the year end.

31. Leases arrangements

At the 31 December 2025 the Charity had future incoming resources from non-cancellable lease agreements as follows:

	2025	2024
	£	£
Within one year	1	1
Between one and two years	1	1
Between two and five years	3	3
More than five years	31	32
	36	37

32. Capital commitments

At the 31 December 2025 the Charity had commitments as follows:

	2025	2024
	£	£
Within one year	249,168	11,111
	249,168	11,111

THE FAVERSHAM MUNICIPAL CHARITIES 2010

England & Wales - Charity number 1140259

Accounts

Charity number 1140259

THE FAVERSHAM MUNICIPAL CHARITIES 2010

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2024

THE FAVERSHAM MUNICIPAL CHARITIES 2010

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THE FAVERSHAM MUNICIPAL CHARITIES 2010

LEGAL AND ADMINISTRATIVE DETAILS

Trustees	Mr D H S Simmons, Chair (resigned 31 May 2024) Mr J N Coulter, Vice Chair (resigned 31 May 2024) Mr K Barker (resigned 22 February 2024) Mrs C Davis (resigned 18 April 2024) Mr S A Fisher (resigned 31 May 2025) Mr M S Gates, Vice Chair (resigned 31 May 2024) Ms J Hennessey (resigned 31 May 2024) Cllr C Jackson (resigned 31 May 2024) Cllr C Martin (appointed by Faversham Town Council 23 February 2024, resigned 31 May 2024) Cllr T Martin (resigned 31 May 2024) Mrs D Neame (resigned 31 May 2024) Mr B Planner (resigned 31 May 2024) Mrs A Reynolds (resigned 31 May 2024) Mr A Shepherd (resigned 31 May 2024) Mr D G Wade (resigned 23 April 2024) Dr E J Wilcox (resigned 31 May 2024) Municipal Charities of Faversham (appointed 31 May 2024)
Charity registration number	1140259
Registered office	5 The Almshouses South Road Faversham Kent ME13 7LU
Auditors	Magee Gammon Corporate Limited Henwood House Henwood Ashford Kent TN24 8DH
Bankers	National Westminster Bank Canterbury City Centre 11 The Parade Canterbury CT1 2SQ Schroders Personal Wealth 1 London Wall London EC2Y 5EA
Solicitors	Furley Page 39 St Margaret's Street Canterbury CT1 2TX

THE FAVERSHAM MUNICIPAL CHARITIES 2010

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees present their annual report together with the audited financial statements of the charity Faversham Municipal Charities 2010 ("the Charity") for the year 1 January 2024 to 31 December 2024.

Under the revisions to our governing document in May 2024, Municipal Charities of Faversham was appointed sole trustee of The Faversham Municipal Charities 2010 on 31 May 2024. On the same date, all individual trustees resigned from The Faversham Municipal Charities 2010 and were all appointed trustees of Municipal Charities of Faversham.

The members of the Board of Trustees of The Faversham Municipal Charities 2010 during the period 01 January to 31 May were:

Mr D H S Simmons, Chair (resigned 31 May 2024)
Mr J N Coulter, Vice Chair (resigned 31 May 2024)
Mr K Barker (resigned 22 February 2024)
Mrs C Davis (resigned 18 April 2024)
Mr S A Fisher (resigned 31 May 2025)
Mr M S Gates, Vice Chair (resigned 31 May 2024)
Ms J Hennessey (resigned 31 May 2024)
Cllr C Jackson (resigned 31 May 2024)
Cllr C Martin (appointed by Faversham Town Council 23 February 2024, resigned 31 May 2024)
Cllr T Martin (resigned 31 May 2024)
Mrs D Neame (resigned 31 May 2024)
Mr B Planner (resigned 31 May 2024)
Mrs A Reynolds (resigned 31 May 2024)
Mr A Shepherd (resigned 31 May 2024)
Mr D G Wade (resigned 23 April 2024)
Dr E J Wilcox (resigned 31 May 2024)

The members of the Board of Trustees of Municipal Charities of Faversham (CIO) during the period 31 May to 31 December were:

Mr D H S Simmons, Chair
Mr J N Coulter, Vice Chair (died 2 June 2024)
Mr S A Fisher (resigned 14 April 2025)
Mr M S Gates, Vice Chair
Ms J Hennessey
Cllr C Jackson
Cllr C Martin (appointed by Faversham Town Council 23 February 2024)
Cllr T Martin
Mrs D Neame (resigned 15 January 2025)
Mr B Planner
Mrs A Reynolds
Mr A Shepherd
Mrs J Stonor (co-opted 15 January 2025)
Mrs M Vanden Berghe (co-opted 18 July 2024)
Dr E J Wilcox
Mr L Young (co-opted 17 October 2024)

The members of the Board of Trustees who have served during the year were:

Municipal Charities of Faversham (registered charity 1190042) appointed as sole corporate trustee on 31 May 2024

All individual Trustees resigned from the Board of Trustees of Faversham Municipal Charities 2010 on 31 May 2024.

THE FAVERSHAM MUNICIPAL CHARITIES 2010

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

Reference to trustee in the following report means a trustee of The Faversham Municipal Charities for the period to 31 May 2024 and trustee of The Faversham Municipal Charities 2010 and Municipal Charities of Faversham from 31 May 2024.

1. STRUCTURE, GOVERNANCE AND MANAGEMENT

1.1 Constitution

The Faversham Municipal Charities 2010 exists under its governing instrument, a Charity Commission scheme of 11 December 2012: as amended 31 May 2024, and, in relation to The Faversham Heritage Fund and Henry Hatch Charity, a Charity Commission scheme of 29 November 2012. The Faversham Municipal Charities 2010 is an unincorporated trustee body. Its area of benefit is the town of Faversham as at 2012.

The Charity's principal objectives are relief of poverty by provision of almshouses; advancement of education by provision of grants and bursaries to organisations or individuals; relief of poverty by the making of grants and payments to organisations or individuals; and provision of a recreation ground. The principal objectives of the heritage charity are preservation and improvement of historic buildings and townscape and landscape.

There have been no changes in the objectives since the last annual report.

1.2 Method of appointment or election of trustees

Under the scheme of 11 December 2012, as amended 31 May 2024, there should be five nominated trustees appointed for a four-year term by Faversham Town Council at a meeting of the council and ten co-opted trustees appointed for a five-year term by the trustees at a special meeting. The trustees are trustees of The Faversham Heritage Fund and Henry Hatch Charity by virtue of its scheme of 29 November 2012.

In recent years, co-options of new co-opted trustees (other than co-options of a trustee who was immediately previously a council appointee) have mostly been by election from two or three candidates, who are asked to provide a CV. In appointing a co-opted trustee, the trustees are mindful of the types of professional and volunteer experience that would assist the Charity's work.

New trustees are given the Charity's governing instrument and latest accounts and a trustee declaration and are invited to meet the Clerk and view the Charity's Almshouses site.

1.3 Organisational structure and decision making

Management of the Charity is the responsibility of the trustees.

The board of trustees has overall responsibility for achieving the Charity's aims and objectives.

The trustees meet quarterly to review the Charity's strategy and performance and to set objectives, operating plans and budgets. A General Purposes Committee deals with day-to-day running of the Charity, meeting in most months between quarterly meetings. The Appointments and Welfare Committee meets as needed to consider matters relating to almshouse residency. Working groups are occasionally appointed for particular purposes.

1.4 Risk management

The trustees have assessed the major risks to which the Charity is exposed, in particular those related to operations and finances of the Charity and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

1.5 Trustees' indemnities

A Charity Protection Policy is in place with a £1 million limit of indemnity, which meets Charity Commission requirements.

2. OBJECTIVES AND ACTIVITIES

2.1 Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission and Homes England relating to public benefit.

The charities administered by the Trustees are set out below with general notes on the operations and have all been disbursed in accordance with their respective schemes. Exact financial details are set out in the final accounts. The Trustees have reviewed the operation of these charities and are satisfied that they provide funds and grants for purposes that are charitable and of public benefit.

The Charity comprises four branches with the following objectives:

Almshouse and Chapel Branch
For relief of poverty by provision of almshouse accommodation for people resident in the area of benefit for not less than five years preceding appointment and for such charitable purposes for the benefit of the residents as the trustees decide.

Education Branch
For the advancement of education by the provision of grants and bursaries to organisations or individuals resident in the area of benefit and pupils or former pupils of Queen Elizabeth's Grammar School.

Relief in Need Branch
For relief of poverty by provision of grants and payments to organisations or individuals resident in the area of benefit.

Recreation Branch
For provision of a recreation ground in the area of benefit for the enjoyment of the public.

and The Faversham Heritage Fund and Henry Hatch Charity (linked charity 1140259-1), whose objects are preservation and improvement of historic buildings, the distinctive character of the townscape, landscape and the creek and preservation of historic artefacts, regalia and ceremonials in the area of benefit.

2.2 Grant-making policies

Grants are made to applicants in accordance with the provisions of the trust schemes.

3. ACHIEVEMENTS AND PERFORMANCE

3.1 Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details about adoption of the going concern basis are in the Accounting Policies.

3.2 Review of activities

In June 2020, the Charity Commission confirmed that the Municipal Charities of Faversham (CIO) had been successfully registered, following a process that began in 2017. In May 2024, the CIO became sole corporate trustee of the Charity and the Faversham Heritage Fund and Henry Hatch Charity following the satisfactory completion of processes with Homes England and the Charity Commission. The CIO will hold the assets ie Faversham Almshouses and the Faversham Recreation Ground. The registration is currently pending with the Land Registry.

During the year, work continued to develop policy documents, to assist with the management of the charity.

The Trustees have reviewed the operation of the Charity and are satisfied that they have complied with their duty to have due regard to public benefit guidance when exercising their charitable purposes.

The Trustees, at their April meeting, reviewed reserve funds of the four branches and the heritage charity and were satisfied that income had largely either been used or was being held ready for grant-recipients' projects to begin, with no undue accumulation.

This report provides highlights of the year. Grant-giving is reported for each branch.

Almshouse and Chapel Branch

Provision of Almshouses

The branch provides, at its site in South Road, Faversham, 69 almshouse units for about 75 beneficiaries, together with a chapel, a residents' lounge, a laundry room and a guest room.

The work of this branch is primarily supported by investment income and by weekly maintenance contributions from almshouse residents.

The 2021 quinquennial inspection of the building by our architects identified that the roofs of the main 1863 building need repairing urgently. Phase one of the work to repair the south-eastern block began in August 2023 and was completed at the end of the 2024. Phase two of the work to repair the north-western block will commence once sufficient funds have been raised. Fundraising initiatives for phase two of this essential work, which is costing £520,000, are ongoing.

The Charity continued its programme of ongoing maintenance, repair and refurbishment during the year. Repair spending was £24,671 for general everyday issues, and Cyclical Maintenance Fund spending was £52,880, which included refurbishment of 5 flats.

The annual internal inspection of Residents' flats by a Surveyor, was completed in November 2024. Prior to this was a mid-year inspection undertaken by FMC staff.

The Charity's Appointments and Welfare Committee continues to monitor and refine processes for selecting almshouse residents to ensure that these processes are transparent and ensure appropriate appointments in line with the Charity's scheme. Five flats changed hands during the year. When there has been a change of occupant, each flat has been upgraded.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

The Charity took part in the South and South East in Bloom competition and was awarded a Level 4 Award in the "It's Your Neighbourhood" category by the Royal Horticultural Society. The grounds are not only tended to by professional gardeners, but also by some of the Residents.

Benefits to residents
The Almshouses provide good accommodation and a supportive environment for about 75 beneficiaries. The Charity works with various public agencies in admitting and supporting some residents with particular problems, so providing a wider benefit to society. The importance of the Almshouses' service to the Faversham community has been increased by major housing associations' closure of two sites of sheltered housing for the elderly in the town in recent years.

Residents' Satisfaction Survey
The Charity is committed to improving services and to reviewing what are the most prominent Issues and priorities for our residents by gathering their valuable feedback. A summary of the Residents' Satisfaction Survey carried out in 2024 are below:

Question	Very Satisfied	Fairly Satisfied
Satisfaction with overall service	58%	26%
Satisfaction with repairs service from the Charity	58%	31%
Satisfaction with time taken to complete most recent repair	54%	27%
Satisfaction with providing a home that's well maintained	61%	29%
Satisfaction of felling safe living in your almshouse	61%	29%
Satisfaction that the Charity listens to your views and acts upon them	55%	29%
Satisfaction that the Charity keeps you informed about things that matter to you	58%	29%
Satisfaction that the Charity "treats me fairly and with respect"	52%	32%
Satisfaction with the way that the Charity responds to complaints	30%	40%
Satisfaction that the Charity keeps communal areas clean and well maintained	63%	30%
Satisfaction that the Charity makes a positive contribution to neighbourhoods	55%	26%
Satisfaction with the way in which the Charity tackles anti-social behaviour	61%	19%

Complaints
The Complaints Policy was updated during the year to meet the requirements of the Housing Ombudsman Complaint Handling Code 2024. A copy of the policy is available on the Charity's website and in the Resident's Handbook. There were four complaints during the year; one related to housing repairs; and three related to anti-social behaviour concerns. None of the complaints were referred to, or investigated by, the Housing Ombudsman Service.

Chapel
Trustees reappointed as Chaplain the Rev Simon Rowlands, Priest-in-charge at St Mary of Charity. Monthly services have continued.

Education Branch
Trustees provided, for pupils of Queen Elizabeth's Grammar School, three prizes of £80 each for academic excellence and three £80 awards to support students in continuing education. The three awards for support in tertiary education were listed as Andrew Telfer memorial awards.

Grants of £500 each were given to Cinque Ports Rowing and Faversham Youth Choir.

Under Scheme Clause 39(6), on reallocating surplus income, £984 was set aside towards the repair of the Almshouse roof.

Relief in Need Branch
Under Scheme Clause 39(6), on reallocating surplus income, £4,051 was given and £3,742 was set aside to help with the repair of the Almshouse roofs.

Recreation Branch
Ownership of the freehold of the 20-acre Faversham Recreation Ground, operated by Swale Borough Council as lessee, is in the process of being transferred from the Charity to the CIO. The registration is currently pending with the Land Registry. The Charity holds modest funds for recreation branch purposes.

Trustees continue to seek to ensure that the Rec serves for the benefit and enjoyment of the public. Trustees are mindful that the governing instrument by which they are bound specifically requires that the Rec be used as a public recreation ground.

Under Scheme Clause 39 (6), on reallocating surplus income, £418 was set aside towards the repair of the Almshouses roof.

The Faversham Heritage Fund and Henry Hatch Charity
£3,125 was set aside towards the repair of the Almshouses roof.

4. FINANCIAL REVIEW

4.1 Reserves policy

In order to fund the maintenance and repair of the Almshouse property from its own resources, the Charity holds cash and investments to generate income. If required, all opportunities for grants from statutory authorities and other funders will be accessed. Cyclical and extraordinary repairs are funded annually out of current-year income from the weekly maintenance contributions from residents of the Almshouses, together with improvements in accommodation as dwellings become vacant.

4.2 Principal funding

The gifts of past benefactors, mainly in wills, form the basis of the present charities and enable the trustees to support Faversham today. Money donated in this way is not spent but invested so that income may be available for present and future generations.

4.3 Material investments policy

Schroders Personal Wealth manages the Charity's main investments, seeking a balanced return through a diversified portfolio of collective instruments.

5. VALUE FOR MONEY (VFM)

This report sets out our VFM performance looking back over 2024 and provides our VFM targets going forward. It aims to provide the reader with a transparent account of how we are striving to make the most of the resources at our disposal in the pursuit of our strategic objectives. We positively encourage feedback and challenge from our customers and other stakeholders on our VFM performance. The report is structured to meet the requirements of the RSH's VFM standard with which we must comply as a Registered Provider.

Metric	RSH metrics	2024	2025 Target	Global accounts lower quartile
Reinvestment %	Yes	18%	15%	4.70%
New supply delivered %	Yes			
New social housing supply	Yes	0%	0%	0.70%
New non- social housing supply	Yes	0%	0%	0.00%
Gearing % – debt as a percentage of assets	Yes	4.1%	4%	32.10%
EBITDA MRI Interest Cover %	Yes	-2493%	100%	107%
Headline social housing cost per unit	Yes	£12,903	£12,000	£3,700
Operating margin % - social housing	Yes	10.53%	12%	17.60%
Operating margin % - overall	Yes	23.64%	20%	14.30%
Return on capital employed (ROCE) %	Yes	5.01%	5%	2.40%

In a very difficult year, our staff have performed extremely well in continuing, and improving, the provision of social housing. As a charity, we would expect our costs to be greater, and our operating margins and return on capital employed to be lower, than the global metrics, to meet our charitable aims. The Charity uses its resources to maintain the properties to a high standard, and to make improvements where possible, rather than acquiring new units; this strategy is unlikely to change in the foreseeable future, as a significant improvement programme was carried out during the year.

6. FUTURE DEVELOPMENTS

The Quinquennial Report in 2021 identified that the roofs of the main 1863 building need repairing urgently. The work to repair the roof of the south-eastern block began in August 2023 and was completed at the end of 2024. The work to repair the north-eastern block will commence once sufficient funds have been raised. Fundraising initiatives for this essential work are ongoing.

7. EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Employees are kept informed of all matters which may directly affect them, and also on the day-to-day running of the Charity. In particular, regular consultations take place specifically regarding residents and their welfare, and on matters identified which may require an update of policy. All employee issues are discussed with trustees, and support and/or appropriate action taken without delay.

In accordance with the requirement for equal opportunities, the Charity has established fair employment practices in recruitment, selection etc of disabled staff.

Staff remuneration is reviewed annually, and any increases are based upon inflation figures. When available, more specific comparisons are made with other almshouse charities of a similar size and operation.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

8. TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees 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 the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions and 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 Statement of Recommended Practice Accounting by Registered Social Housing Providers 2014 and the Accounting Direction for Private Registered Providers of Social Housing 2015 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the trustees, on 14 May 2025 and signed on their behalf by:

Mr D H S Simmons, Chairman
(on behalf of the CIO)

Mr M Gates, Vice Chairman
(on behalf of the CIO)

Mrs C Flanagan, Clerk to the Trustees

THE FAVERSHAM MUNICIPAL CHARITIES 2010

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FAVERSHAM MUNICIPAL CHARITIES 2010

Opinion

We have audited the financial statements of Faversham Municipal Charities 2010 (the 'charity') for the year ended 31 December 2024 which comprise the statement of comprehensive income, the statement of changes in equity, the statement of financial position, the statement of cash flows and the related notes. 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).

The financial statements have been prepared in accordance with The Accounting Direction for Private Registered Providers of Social Housing from April 2015 and the Statement of Recommended Practice (SORP) Accounting by registered social housing providers (updated 2018).

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2024, 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 Charities Act 2011, the Housing and Regeneration Act 2008 and The Accounting Direction for Social Housing in England from April 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FAVERSHAM MUNICIPAL CHARITIES 2010

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

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 trustees

As explained more fully in the statement of trustees' responsibilities set out on page 8, the trustees 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FAVERSHAM MUNICIPAL CHARITIES 2010

Auditors' 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 Auditors' 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:

Capability of the audit in detecting irregularities including fraud

Based on our understanding of the Charity, we have considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011. We evaluated management incentives and opportunities for fraudulent manipulation of the financial statements including management override, and considered that the principal risk was related to the posting of inappropriate journal entries to improve the result before tax for the year.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

Procedures performed by the audit team included:

- Discussions with management regarding known or suspected instances of non-compliance with laws and regulations;
- Evaluation of controls designed to prevent and detect irregularities; and
- Assessing journal entries as part of our planned audit approach.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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.

Magee Gammon Corporate Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE FAVERSHAM MUNICIPAL CHARITIES 2010

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FAVERSHAM MUNICIPAL CHARITIES 2010

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Account 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 trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Mr Andrew J Childs FCA (Senior Statutory Auditor)
For and on behalf of Magee Gammon Corporate Limited
Chartered Accountants
Statutory Auditor
Henwood House
Henwood
Ashford
Kent
TN24 8DH

Date: .....

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 Restricted £	2024 Unrestricted £	2024 Total £	2023 Total £
Turnover	3	-	379,409	379,409	349,805
Operating costs					
Direct costs	8	(437)	(264,108)	(264,545)	(328,649)
Support costs	9	(213)	(69,742)	(69,955)	(70,803)
		(650)	(333,850)	(334,500)	(399,452)
Operating (deficit)/surplus		(650)	45,559	44,909	(49,647)
Other income					
Donations and legacies	2	45,000	4,789	49,789	25,482
Interest receivable and other income	4	6,923	55,967	62,890	38,654
Gains on investment disposals	17	16,433	117,496	133,939	1,365,233
		68,366	178,252	246,618	1,420,369
Other expenditure					
Interest payable	14	-	(16,195)	(16,195)	(16,347)
Investment management expenses	5	(987)	(6,444)	(7,431)	(8,960)
Grants payable	6	-	(3,082)	(3,082)	(3,815)
Governance costs	10	(2,020)	(30,788)	(32,808)	(11,751)
(Deficit)/Surplus for the year		64,709	167,302	232,011	1,329,849
Unrealised gains/(losses) on investments	17	(9,346)	(69,730)	(79,076)	(1,260,266)
Total comprehensive income/ (expenditure) for the year		55,363	97,572	152,935	69,583

On behalf of the trustees:

David Simmons

Mr D H S Simmons, Chairman
(on behalf of the CIO)

Mr M Gates, Vice Chairman
(on behalf of the CIO)

Carolyn Flanagan

Mrs C Flanagan, Clerk to the Trustees

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF CHANGES IN EQUITY
ENDED 31 DECEMBER 2024

	Revenue Reserves £	Designated Reserves £	Restricted Funds £	Total £
Balance at 1 January 2023	2,709,324	265,962	210,424	3,185,710
Surplus / (deficit) from statement of comprehensive				
Income	1,185,667	(53,004)	197,186	1,329,849
Unrealised (losses) / gains on investments	(1,033,357)	(68,664)	(158,245)	(1,260,266)
	2,861,634	144,294	249,365	3,255,293
Transfers between funds	(244,937)	274,187	(29,250)	-
Balance at 31 December 2023	2,616,697	418,481	220,115	3,255,293
Balance at 1 January 2024	2,616,697	418,481	220,115	3,255,293
Surplus / (deficit) from statement of comprehensive income	223,225	(55,922)	64,709	232,011
Unrealised (losses) / gains on investments	(61,030)	(8,699)	(9,346)	(79,075)
	2,778,891	353,860	275,478	3,408,228
Transfers between funds	168,547	(129,283)	(39,263)	-
Balance at 31 December 2024	2,947,438	224,576	236,214	3,408,228

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF FINANCIAL POSITION
AS AT YEAR ENDED 31 DECEMBER 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible fixed assets	16		2,814,026		2,322,660
Investments	17		1,377,408		1,575,500
			4,191,434		3,989,160
Current assets					
Trade and other debtors	18	224,081		390,159	
Cash and cash equivalents	27	179,254		171.398	
		403,335		561,557	
Creditors: amounts falling due within one year	19	(60,852)		(55,329)	
Net current assets			342,483		506,228
Total assets less current liabilities			4,533,917		4,404,388
Creditors: amounts falling due after more than one year	20		(1,125,688)		(1,149,095)
Total net assets			3,408,229		3,255,293
Reserves	24				
Revenue reserve			2,947,438		2,616,697
Designated reserves			224,575		418,480
Restricted reserves			236,216		220,116
			3,408,229		3,255,293

These financial statements were approved by the trustees and authorised for issue on 14 May 2025.

On behalf of the trustees:

David Simmons
Mr D H S Simmons, Chairman
(on behalf of the CIO)

Mr M Gates, Vice Chairman
(on behalf of the CIO)

Carolyn Flanagan
Mrs C Flanagan, Clerk to the Trustees

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 £	2023 £
Net cash generated from operating activities	201,004	(247,256)
Cash flow from investing activities		
Dividends, interest and rents from investments	62,890	38,654
Purchase of tangible fixed assets	(507,298)	(119,672)
Proceeds from sales of investments	1,547,048	1,869,699
Purchase of investments	(1,294,094)	(1,538,145)
	(191,454)	250,536
Cash flow from financing activities		
Repayment of borrowings	(1,694)	(1,547)
	(1,694)	(1,547)
Net change in cash and cash equivalents	7,856	1,734
Cash and cash equivalents at the beginning of the year	171,398	169,664
Cash and cash equivalents at the end of the year	179,254	171,398

1. Accounting policies

1.1 Basis of preparation

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. The departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015 and Charities Act 2011.

The Faversham Municipal Charities 2010 constitutes a public benefit entity as defined by FRS 102.

1.2 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution has been made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Turnover represents rental income (net of void losses), other income receivable from properties owned by the Association and amortisation of Social Housing Grant (SHG) under the accrual method.

1. Accounting policies (continued)

1.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measure reliably. Expenditure is classified by activity. The costs of each activity are made up of the total direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support cost which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include projects managements carried out at Headquarters. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred to the Charity's educational operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as commitment, but not accrued as expenditure.

1.4 Tangible fixed assets and depreciation

A review for impairment of a fixed assets is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of comprehensive income.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairments. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimate residual value, over their expected useful lives on the following bases:

Freehold Property	50 years
Fixtures and fittings	25 years
Roofs	50 years
Bathrooms	25 years
Kitchens	25 years
Boilers	20 years

1. Accounting policies (continued)

Freehold land is not subject to depreciation.

Housing properties are stated at their historical cost less depreciation and any provision for impairment. Costs include the cost of acquisition, construction and improvement. Improvements are works which results in an enhancement of the economic benefits of the asset to the Charity arising from an increase in the net rental income over the life of the asset, such as the reduction of future maintenance costs, or which results in the significant extension of the useful economic life of the property.

Depreciation is charged so as to write down the cost or valuation (net of Housing Association Grant, and other capital grants) of the freehold housing properties and major components on a straight-line basis over their expected useful economic lives. Major components are treated as separable assets and depreciated over their expected useful economic lives or he lives of the structure to which they relate, if shorter.

The estimated useful economic life for each component has been based on the Charity's current experience of component replacement. The Charity will continue to monitor and review the useful economic life of each component and make revisions where sustained material changes occur.

Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any write down would be charged to the operating surplus.

1.5 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Statement of financial position date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/ (losses) on investments on the Statement of comprehensive income.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.7 Debtors

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

1.8 Cash at bank and in hand

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

1. Accounting policies (continued)

1.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Statement of financial position date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.11 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

1.12 Fund accounting

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

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors of which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

1.13 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are discussed below.

1. Accounting policies (continued)

Critical areas of judgement:

The trustees have reviewed the asset lives and residual values of all fixed asset classes and have concluded that the asset lives and residual values are appropriate.

1.14 Social Housing Grant

Social Housing Grant (SHG) is used to reduce the capital costs of housing property. SHG is initially recognised at fair value as a long-term liability, specifically as deferred grant income, and released through the income and expenditure as turnover income over the life of the structure of the housing properties in accordance with the accrual method applicable to social housing landlords holding housing properties at cost.

1.15 Cyclical Repairs and Maintenance

The Charity has established a regular programme of cyclical repairs and maintenance. Costs are charged to the Revenue account in the year in which they are incurred.

1.16 Extraordinary Repairs

Costs of Extraordinary Repairs unless representing improvements to the properties, are charged to the Revenue account in the year in which they are incurred. The Extraordinary Repairs Reserve represents the amounts set aside to carry out major repairs on Housing properties.

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2024

2. Income from donations and legacies

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations	-	738	738	482
Legacies	-	-	-	-
Grants	45,000	4,051	49,051	25,000
	45,000	4,789	49,789	25,482
Total 2023	*25,000*	*482*	*25,482*	

3. Turnover from social housing lettings

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Weekly maintenance contributions	-	415,826	415,826	377,042
Less: losses from voids	-	(58,130)	(58,130)	(48,950)
	-	357,696	357,696	328,092
Social housing grant utilised	-	21,713	21,713	21,713
	-	379,409	379,409	349,805
Total 2023	-	*349,805*	*349,805*	

Accommodation in management

	2024	2023
Housing for older people in need	69	69

4. Investment Income

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Local listed investments	6,704	52,493	59,197	35,473
Local investment properties	-	18	18	17
Local cash	219	3,456	3,675	3,164
	6,923	55,967	62,890	38,654
Total 2023	*4,861*	*33,793*	*38,654*	

5. Investment management costs

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Investment management fees	987	6,444	7,431	8,960
	987	6,444	7,431	8,960
Total 2023	*1,190*	*7,770*	*8,960*	

6. Analysis of grants

	Grants to Individuals 2024 £	Grants to Institutions 2024 £	Total 2024 £	Total 2023 £
Almshouse & Chapel Branch	-	-	-	-
Relief in Need Branch	-	-	-	1,495
Education Branch	572	1,000	1,572	2,320
The Faversham Heritage Fund & Henry Hatch Charity	-	-	-	-
Recreation Branch	-	-	-	-
	572	1,000	1,572	3,815
Total 2023	*3,815*	-	*3,815*	

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

7. Analysis of expenditure on charitable activities

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Almshouse & Chapel Branch	-	351,034	351,034	414,903
Relief in Need Branch	-	209	209	1,747
Education Branch	-	1,782	1,782	2,579
The Faversham Heritage Fund & Henry Hatch Charity	213	-	213	273
Recreation Branch	-	102	102	112
	213	353,127	353,340	419,614
Total 2023	*273*	*419,341*	*419,614*	

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

8. Direct costs

	Almshouse & Chapel Branch £	Relief in Need Branch £	Education Branch £	Recreation Branch £	Heritage and Hatch Charity £	Total 2024 £	Total 2023 £
Rates	212	-	-	-	-	212	244
Insurance	30,013	-	-	-	-	30,013	28,156
Light & heat	38,700	-	-	-	-	38,700	26,699
Building repairs	101,723	-	-	-	437	102,160	171,643
Equipment repairs	15,260	-	-	-	-	15,260	21,677
Grounds upkeep	12,781	-	-	-	-	12,781	22,619
Wages and salaries	48,322	-	-	-	-	48,322	40,023
National insurance	298	-	-	-	-	298	291
Pension cost	867	-	-	-	-	867	688
Depreciation	15,932	-	-	-	-	15,932	16,609
	264,108	-	-	-	437	264,545	328,649
Total 2023	*328,649*	-	-	-	-	*328,649*	

9. Support costs

	Almshouse & Chapel Branch	Relief in Need Branch	Education Branch	Recreation Branch	Heritage and Hatch Charity	Total 2024	Total 2023
	£	£	£	£	£	£	£
Office	13,350	209	210	102	213	14,084	13,781
Wages and salaries	53,229	-	-	-	-	53,229	53,118
National insurance	2,557	-	-	-	-	2,557	2,383
Pension cost	1,595	-	-	-	-	1,595	1,521
	70,731	209	210	102	213	71,465	70,803
Total 2023	*69,907*	*252*	*259*	*112*	*273*	*70,803*	

10. Governance costs

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Auditor's remuneration	753	8,763	9,516	9,450
Legal & professional fees	1,170	21,457	22,627	1,636
Trustee indemnity insurance	97	586	665	665
	2,020	30,788	32,808	11,751
Total 2023	*650*	*11,101*	*11,751*	

During the year ended 31 December 2024, the Charity incurred the following governance costs:

£27,361 (*2023-£10,000)* included within the table above in respect of the Almshouse & Chapel Branch.
£1,439 (*2023-£462)* included within the table above in respect of the Relief in Need Branch.
£1,651 (*2023-£530*) included within the table above in respect of the Education Branch.
£2,020(*2023-£108*) included within the table above in respect of the Recreation Branch.
£337 (*2023-£650*) included within the table above in respect of The Faversham Heritage Fund and Henry Hatch Charity.

11. Analysis of expenditure by expenditure type

	Staff costs 2024 £	Depreciation 2024 £	Other costs 2024 £	Total 2024 £	Total 2023 £
Investment management fees	-	-	7,431	7,431	8,960
Costs of raising funds	-	-	7,431	7,431	8,960
Almshouse & Chapel Branch	106,868	15,932	226,724	349,524	414,903
Relief in Need Branch	-	-	209	209	1,747
Education Branch	-	-	1,782	1,782	2,579
The Faversham Heritage Fund & Henry Hatch Charity	-	-	213	213	273
Recreation Branch	-	-	102	102	112
Charitable activities	106,868	15,932	233,984	351,830	419,614
Expenditure on governance	-	-	32,808	32,808	11,751
	106,868	15,932	269,269	392,069	440,325
Total 2023	*98,024*	*16,609*	*325,692*	*440,325*	

12. Net income / (expenditure)

	2024 £	2023 £
Auditor's remuneration	9,516	9,450
Depreciation	15,932	16,609

No trustees received any remuneration, benefits in kinds or reimbursement of expenses (2023 - £nil).

The Clerk to the Trustees received emoluments of £53,229 (2023 - £54,638).

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2024

13. Staff costs

	2024 £	2023 £
Wages and salaries	101,551	93,141
Social security costs	2,855	2,674
Pension costs	2,462	2,209
	106,868	98,024

The average number of persons employed by the charity during the year was as follows:

	2024 No.	2023 No.
Scheme Manager (Part time)	2	2
Caretaker and cleaner	2	2
Administration	2	2
	6	6

No employee received remuneration above £60,000 (2023 – none).

14. Interest payable

	2024 £	2023 £
On loans wholly or partly payable in > 5 years	16,195	16,347

15. Taxation

Factors affecting tax charge for the year

The Housing Association is a Registered Charity and is therefore exempt from liability to taxation on its income and capital gains.

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2024

16. Tangible fixed assets

	Freehold property 2024 £	Fixtures and fittings 2024 £	Total 2024 £
Cost or valuation			
At 1 January 2024	2,804,432	390,109	3,194,541
Additions	486,951	20,347	507,298
Disposals	(30,000)	-	(30,000)
At 31 December 2024	3,261,383	410,456	3,671,839
Depreciation			
At 1 January 2024	798,077	73,804	871,881
Charge for the year	-	15,932	15,932
Depreciation on disposals	(30,000)	-	(30,000)
At 31 December 2024	768,077	89,736	857,813
Net book value			
At 31 December 2024	2,493,306	320,720	2,814,026
At 31 December 2023	*2,006,355*	*316,305*	*2,322,660*

The above details relate to improvements and developments of the properties which were transferred on 1 January 2013 from Faversham United Municipal Charities and there are no records of the original cost of them.

They were funded by Housing Corporation Grants totalling £1,737,009.91 and Residual Mortgage Loans of £57,523 at an annual interest rate of 14% per annum over 30 years from 1 November 1982, and £190,465.24 at an annual interest rate of 9.375% per annum over 60 years from 1 October 1989. The balance was provided from the Charity's resources.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

17. Investments

	2024 £	2023 £
SPW Global Corporate Bond Q Inv – 104,559.49 units (2023 – 0)	106,755	-
SPW Global Government Bond Fund Q – 223,952.82 units (2023 – 0)	228,880	-
Schroder Global Equity Component Fund - 243,094.24 units (2023 – 0)	129,253	-
Schroder Global Equity Income Fund – 224,332.96 units (2023 – 0)	198,041	-
Schroder Income Fund – 141,543.29 units (2023 – 0)	97,792	-
SPW Global (Ex UK) Equity Fund Q Inc – 64,359.43 units (2023 – 0)	188,544	-
iShares North American Fund – 554.41 units (2023 – 0)	7,949	-
ICVC High Income & Emerging Market – 58,533.32 units (2023 – 511,403.87)	48,161	416,641
ICVC Global Investment Bond Fund - 127,168.53 units (2023 – 618,153.44)	108,131	528,336
ICVC Global Sovering Bond Fund – 253,476.04 units (2023 – 54,860.59)	226,734	49,375
Vanguard Global Corporate Bond Fund – 0 units (2023 – 1,826,78)	-	153,098
iShares Japan Equity Fund Fund – 0 units (2023 – 18,678,37)	-	19,247
Schroder US Equity Income Fund – 0 units (2023 – 16,251.50)	-	11,140
SPW UK Equity Income Fund – 0 units (2023 – 90,530.60)	-	146,750
SPW Asia Global Emerging Market – 0 units (2023 – 29,105.16)	-	23,855
SPW Japanese Equity Fund – 0 units (2023 – 7,915.15)	-	8,873
SPW North American Equity Fund – 0 units (2023 – 69,144.16)	-	81,521
SPW Global Real Estate Fund – 0 units (2023 – 45,055.74)	-	85,921
Charities Investment Fund ERF Scheme – 142.61 units (2023 – 204.61)	37,166	50,743
	1,377,408	1,575,500

The cost of investments at 31 December 2024 is as follows:

SPW Global Corporate Bond Q Inv	107,592	-
SPW Global Government Bond Fund Q	231,567	-
Schroder Global Equity Component Fund	125.923	-
Schroder Global Equity Income Fund	197,613	-
Schroder Income Fund	98,786	-
SPW Global (Ex UK) Equity Fund Q Inc	166,961	-
iShares North American Fund	6,860	-

17. Investments (continued)

ICVC High Income & Emerging Market	44,038	384,320
ICVC Global Investment Bond Fund	100,782	488,804
ICVC Global Sovering Bond Fund	228,332	46,714
Vanguard Global Corporate Bond Fund	-	142,584
iShares Japan Equity Fund Fund	-	18,494
Schroder US Equity Income Fund	-	10,900
SPW UK Equity Income Fund	-	140,141
SPW Asia Global Emerging Market	-	23,357
SPW Japanese Equity Fund	-	8,564
SPW North American Equity Fund	-	77,856
SPW Global Real Estate Fund	-	77,856
Charities Investment Fund ERF Scheme	11,219	16,097
	1,319,672	1,432,687

17. Investments (continued)

	2024 £	2023 £
Market Value at 1 January	1,575,500	1,811,087
Additions	1,294,094	1,538,145
Disposals	(1,547,048)	(1,869,699)
Realised surplus	133,939	1,356,233
Unrealised deficit	(79,076)	(1,260,266)
	1,377,406	1,575,500

18. Trade and other debtors

	2024 £	2023 £
Social housing rent arrears	4,262	1,045
Other debtors	-	200
Prepayments and accrued income	219,819	388,914
	224,081	390,159

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

19. Creditors: amounts falling due within one year

	2024 £	2023 £
Other loans	1,546	1,546
Accruals and deferred income	37,593	32,070
Deferred grant	21,713	21,713
	60,852	55,329

20. Creditors: amounts falling due after more than one year

	2024 £	2023 £
Deferred grant	955,342	977,055
Other loans	170,346	172,040
	1,125,688	1,149,095

21. Deferred income

	2024 £	2023 £
Balance brought forward	4,653	2,558
Released in year	(4,653)	(2,558)
Deferred during the year	9,630	4,653
Balance carried forward	9,630	4,653

22. Deferred grants

	2024 £	2023 £
Balance brought forward	998,768	1,202,481
Released in year	(21,713)	(21,713)
Balance carried forward	977,055	998,768

The deferred grant represents a capital grant received in 1980-84, 1988-91, 2003 and 2004-05 for the modernisation of the Almshouses, building of new Almshouses, replacing gas boilers and windows. The grant is being released over the estimated useful life of the property in association with FRS102.

23. Loans

	2024 £	2023 £
Due within 1 Year	1,546	1,411
Due within 1-2 Years	1,550	1,550
Due within 2-5 Years	4,750	4,750
Due in > 5 Years	164,049	165,740
Balance carried forward	171,892	173,586

Loans are secured over the assets concerned.

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2024

24. Statement of funds

Statement of funds - current year

	Balance at 1 January 2024	Income	Expenditure	Transfers In/out	Gains/ (Losses)	Balance at 31 December 2024
	£	£	£	£	£	£
Designated funds						
Cyclical maintenance fund	72,036	-	(36,300)	68,547	-	104,283
Emergency repair fund	50,742	-	(29,842)	59,830	1,423	82,153
Housing redevelopment fund	1,913	99	-	17	-	2,028
Roof repair fund	25,000	-	-	-	-	25,000
Roof phase 1 fund	268,788	-	-	(257,677)	-	11,111
	418,479	99	(66,142)	(129,283)	-	224,575
General funds						
General funds	2,596,506	428,304	(315,510)	181,128	34,308	2,924,736
Education branch	6,345	5,659	(4,240)	(4,672)	5,798	8,890
Recreation branch	1,498	1,172	(603)	(1,017)	1,181	2,231
Relief in need branch	12,348	4,932	(3,861)	(6,892)	5,055	11,582
	3,035,176	440,165	(390,356)	39,264	47,765	3,172,013
Restricted funds						
Organ maintenance fund	3,550	-	(437)	-	-	3,113
Faversham Heritage fund and HH Charity	216,566	6,923	(3,219)	5,737	7,097	233,103
Roof repair	-	45,000	-	(45,000)	-	-
	220,116	51,923	(3,656)	(39,263)	7,097	236,216
Total of funds	3,255,292	492,088	(394,013)	-	54,862	3,408,229

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

24. Statement of funds (continued)

Statement of funds - Prior Year

	Balance at 1 January 2023	Income	Expenditure	Transfers In/out	Gains/ (Losses)	Balance at 31 December 2023
	£	£	£	£	£	£
Designated funds						
Cyclical maintenance fund	78,453	-	(125,427)	119,010	-	72,036
Emergency repair fund	160,660	-	(7,925)	(113,675)	11,682	50,742
Housing redevelopment fund	1,846	-	-	64	-	1,913
Roof repair fund	25,000	-	-	-	-	25,000
Roof phase 1 fund	-	-	-	268,788	-	268,788
	265,962	-	(113,352)	274,187	11,682	418,479
General funds						
General funds	2,690,469	375,820	(297,305)	(226,589)	54,110	2,569,506
Education branch	5,256	3,972	(4,082)	(7,945)	9,145	6,345
Recreation branch	3,541	826	(418)	(4,313)	1,863	1,498
Relief in need branch	10,058	3,463	(3,056)	(6,090)	7,973	12,348
	2,975,286	384,080	(438,213)	29,250	84,773	3,035,176
Restricted funds						
Organ maintenance fund	3,550	-	-	-	-	3,550
The Faversham Heritage fund and Henry Hatch Charity	206,874	29,861	(2,112)	(29,250)	11,193	216,566
	210,424	29,861	(2,112)	(29,250)	11,193	220,116
Total of funds	3,185,710	413,941	(440,325)	-	95,966	3,255,292

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

24. Statement of funds (continued)

Summary of funds - Current Year

	Balance at 1 January 2024	Income	Expenditure	Transfers In/out	Gains/ (Losses)	Balance at 31 December 2024
	£	£	£	£	£	£
Designated funds	418,480	99	(66,142)	(129,283)	1,423	224,575
General funds	2,616,697	440,066	(324,214)	168,547	46,342	2,947,438
	3,035,176	465,165	(390,356)	39,264	47,765	3,172,013
Restricted funds	210,116	51,923	(3,656)	(39,264)	7,097	236,216
	3,255,293	492,088	(394,013)	-	54,862	3,408,229

Summary of funds – Prior Year

	Balance at 1 January 2023	Income	Expenditure	Transfers In/out	Gains/ (Losses)	Balance at 31 December 2023
	£	£	£	£	£	£
Designated funds	265,962	-	(133,352)	274,187	11,862	418,479
General funds	2,709,324	384,080	(304,861)	(244,937)	73,091	2,616,697
	3,975,286	384,080	(438,213)	29,250	84,773	3,035,176
Restricted funds	210,425	29,861	(2,112)	(29,250)	11,193	220,116
	3,185,709	413,941	(440,325)	-	95,966	3,255,292

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2024

25. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	-	2,814,026	2,814,026
Fixed asset investments	216,181	1,161,227	1,377,408
Current assets	20,035	383,300	403,335
Creditors due within one year	-	(60,852)	(60,852)
Creditors due within more than one year	-	(1,125,688)	(1,125,688)
	236,216	3,172,013	3,408,229

Analysis of net assets between funds - prior year

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	2,322,660	2,322,660
Fixed asset investments	202,488	1,373,012	1,575,500
Current assets	17,628	543,929	651,557
Creditors due within one year	-	(55,329)	(55,329)
Creditors due within more than one year	-	(1,149,095)	(1,149,095)
	220,116	3,035,177	3,255,293

26. Reconciliation in net movement in fund to net cash flow from operating activities

	2024 £	2023 £
Net income/(expenditure) for the year	152,935	69,583
Adjustments for:		
Depreciation charges	15,932	16,609
(Gains)/losses on investments	(54,863)	(95,967)
Dividends, interest and rents from investments	(62,890)	(38,654)
Loss on the sale of fixed assets	-	-
(Increase) / decrease in debtors	166,078	(179,994)
(Decrease) / increase in creditors	(16,189)	(18,833)
Net cash (used in) / by operating activities	201,004	(247,256)

Analysis of net debt

	At 1 January 2024 £	Cash flows £	At 31 December 2024 £
Cash at bank and in hand	171,397	7,857	179,254
Debt due after 1 year	(172,040)	1,694	(170,346)
Debt due within 1 year	(1,546)	-	(1,546)
	(2,188)	9,542	7,362

27. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	179,254	171,398

28. Grant commitments

At the 31 December 2024 the Charity had commitments as follows:

	2024 £	2023 £
Within one year	-	-
Between one and two years	-	-
	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2024

29. Pension commitments

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 £2,462 (2023 - £2,209). Contributions totalling £nil (2023 - £nil) were payable to the fund at the Statement of financial position date.

30. Related party transactions

Cllr Jackson is a member of Swale Borough Council. Cllr C Martin and Cllr T Martin are members of Faversham Town Council. During the year lease payments were received totalling £1 (2023 - £1) from Swale Borough Council for a recreation park held by the Charity. This is in respect of a long lease entered in 2010. The Councillors cannot use their position to their advantage. No monies were outstanding at the year end.

31. Leases arrangements

At the 31 December 2024 the Charity had future incoming resources from non-cancellable lease agreements as follows:

	2024	2023
	£	£
Within one year	1	1
Between one and two years	1	1
Between two and five years	3	3
More than five years	32	33
	35	36

32. Capital commitments

At the 31 December 2024 the Charity had commitments as follows:

	2024	2023
	£	£
Within one year	11,111	268,788
	11,111	268,788

THE FAVERSHAM MUNICIPAL CHARITIES 2010

England & Wales - Charity number 1140259

Accounts

Charity number 1140259

THE FAVERSHAM MUNICIPAL CHARITIES 2010

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2023

THE FAVERSHAM MUNICIPAL CHARITIES 2010

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THE FAVERSHAM MUNICIPAL CHARITIES 2010

LEGAL AND ADMINISTRATIVE DETAILS

Trustees

Mr D H S Simmons, Chairman
Mr J N Coulter, Vice Chairman
Mr K Barker (resigned 22 February 2024)
Mrs C Davis
Mr S A Fisher
Mr M S Gates
Ms J Hennessey
Cllr C Jackson
Cllr C Martin (appointed 23 February 2024)
Cllr T Martin
Mrs D Neame
Mr B Planner (co-opted 18 October 2023)
Cllr A Reynolds
Mr A Shepherd
Mr G Wade
Mrs A J Walker (died 29 March 2023)
Dr E J Wilcox

Charity registration number 1140259

Registered office

5 The Almshouses
South Road
Faversham
Kent
ME13 7LU

Auditors

Magee Gammon Corporate Limited
Henwood House
Henwood
Ashford
Kent
TN24 8DH

Bankers

National Westminster Bank
Canterbury City Centre
11 The Parade
Canterbury
CT1 2SQ

Schroders Personal Wealth
1 London Wall
London
EC2Y 5EA

Solicitors

Furley Page
39 St Margaret's Street
Canterbury
CT1 2TX

THE FAVERSHAM MUNICIPAL CHARITIES 2010

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their annual report together with the audited financial statements of the charity The Faversham Municipal Charities 2010 (the Charity) for the year 1 January 2023 to 31 December 2023.

The members of the board of trustees who have served during the year were:

Mr D H S Simmons, Chairman
Mr J N Coulter, Vice Chairman
Mr K Barker (resigned 22 February 2024)
Mrs C Davis
Mr S A Fisher
Mr M S Gates
Ms J Hennessey
Cllr C Jackson
Cllr T Martin
Mrs D Neame
Mr B Planner (co-opted 18 October 2023)
Cllr A Reynolds
Mr A Shepherd
Mr G Wade
Mrs A J Walker (died 29 March 2023)
Dr E J Wilcox

1. STRUCTURE, GOVERNANCE AND MANAGEMENT

1.1 Constitution

The Faversham Municipal Charities 2010 exists under its governing instrument, a Charity Commission scheme of 11 December 2012, and, in relation to The Faversham Heritage Fund and Henry Hatch Charity, a Charity Commission scheme of 29 November 2012. The Faversham Municipal Charities 2010 is an unincorporated trustee body. Its area of benefit is the town of Faversham as at 2012.

The Charity's principal objectives are relief of poverty by provision of almshouses; advancement of education by provision of grants and bursaries to organisations or individuals; relief of poverty by the making of grants and payments to organisations or individuals; and provision of a recreation ground. The principal objectives of the heritage charity are preservation and improvement of historic buildings and townscape and landscape.

There have been no changes in the objectives since the last annual report.

1.2 Method of appointment or election of trustees

Under the scheme of 11 December 2012, there should be five nominated trustees appointed for a four-year term by Faversham Town Council at a meeting of the council and ten co-opted trustees appointed for a five-year term by the trustees at a special meeting. The trustees are trustees of The Faversham Heritage Fund and Henry Hatch Charity by virtue of its scheme of 29 November 2012.

In recent years, co-options of new co-opted trustees (other than co-options of a trustee who was immediately previously a council appointee) have mostly been by election from two or three candidates, who are asked to provide a CV. In appointing a co-opted trustee, the trustees are mindful of the types of professional and volunteer experience that would assist the Charity's work.

New trustees are given the Charity's governing instrument and latest accounts and a trustee declaration and are invited to meet the Clerk and view the Charity's Almshouses site.

1.3 Organisational structure and decision making

Management of the Charity is the responsibility of the trustees.

The board of trustees has overall responsibility for achieving the Charity's aims and objectives.

The trustees meet quarterly to review the Charity's strategy and performance and to set objectives, operating plans and budgets. A General Purposes Committee deals with day-to-day running of the Charity, meeting in most months between quarterly meetings. The Appointments and Welfare Committee meets as needed to consider matters relating to almshouse residency. Working groups are occasionally appointed for particular purposes.

1.4 Risk management

The trustees have assessed the major risks to which the Charity is exposed, in particular those related to operations and finances of the Charity and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

1.5 Trustees' indemnities

A Charity Protection Policy is in place with a £1 million limit of indemnity, which meets Charity Commission requirements.

2. OBJECTIVES AND ACTIVITIES

2.1 Policies and objectives

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission and Homes England relating to public benefit.

The two Charities administered by the trustees are set out below with general notes on the operations and have all been disbursed in accordance with their respective schemes. Exact financial details are set out in the final accounts. The trustees have reviewed the operation of these charities and are satisfied that they provide funds and grants for purposes that are charitable and of public benefit.

The Faversham Municipal Charities 2010 (registered charity number 1140259) comprises four branches with the following objectives:

Almshouse and Chapel Branch
For relief of poverty by provision of almshouse accommodation for people resident in the area of benefit for not less than five years preceding appointment and for such charitable purposes for the benefit of the residents as the trustees decide.

Education Branch
For the advancement of education by the provision of grants and bursaries to organisations or individual's resident in the area of benefit and pupils or former pupils of Queen Elizabeth's Grammar School.

Relief in Need Branch
For relief of poverty by provision of grants and payments to organisations or individuals resident in the area of benefit.

Recreation Branch
For provision of a recreation ground in the area of benefit for the enjoyment of the public.

The Faversham Heritage Fund and Henry Hatch Charity (linked charity 1140259-1), whose objects are preservation and improvement of historic buildings, the distinctive character of the townscape, landscape and the creek and preservation of historic artefacts, regalia and ceremonials in the area of benefit.

2.2 Grant-making policies

Grants are made to applicants in accordance with the provisions of the trust schemes.

3. ACHIEVEMENTS AND PERFORMANCE

3.1 Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details about adoption of the going concern basis are in the Accounting Policies.

3.2 Review of activities

Mr David Simmons was re-elected Chairman for a seventh year at the Charity's AGM in January 2023.

Mr Brian Planner was appointed a co-opted Trustee in October 2023, following the sad death of Mrs Anita Walker in March 2023. Mrs Walker had served as a Trustee of The Faversham Municipal Charities 2010 for over 20 years.

In June 2020, the Charity Commission confirmed that The Faversham Municipal Charities 2010 charitable incorporated organisation (CIO) had been successfully registered, following a process that began in 2017. There are still some outstanding steps to be completed, which mainly relate to the mechanics of the transfer. There is also some work to do to ensure we are compliant with the requirements of Homes England.

The CIO existed during the year as a legal entity without assets, income or expenditure. It is intended that the CIO should become sole corporate trustee of The Faversham Municipal Charities 2010 after the satisfactory completion of processes with Homes England and the Charity Commission.

During the year, work continued to develop policy documents, to assist with the management of the Charity.

The trustees have reviewed the operation of The Faversham Municipal Charities 2010 and are satisfied that they have complied with their duty to have due regard to public benefit guidance when exercising their charitable purposes.

The trustees, at their April meeting, reviewed reserve funds of the four branches and the heritage charity and were satisfied that income had largely either been used or was being held ready for grant-recipients' projects to begin, with no undue accumulation.

This report provides highlights of the year. Grant-giving is reported for each branch.

Almshouse and Chapel Branch
Provision of Almshouses

The branch provides, at its site in South Road, Faversham, 69 Almshouse units for about 70 beneficiaries, together with a chapel, a residents' lounge, a laundry room and a guest bedroom.

The work of this branch is primarily supported by investment income and by weekly maintenance contributions from Almshouse residents.

The 2021 quinquennial inspection of the building by our architects identified that the roofs of the main 1863 building need repairing urgently. The work to repair the roof of the southern block began in August 2023 and it is envisaged that this work will be completed in April 2024. The work to repair the northern block will commence once sufficient funds have been raised. Fundraising initiatives for this essential work, which is costing £880,000, are ongoing.

The need to repair the roofs has meant that the project to convert the studio flats into one-bedroom flats has been put on hold for the time being.

The Charity continued its programme of ongoing maintenance, repair and refurbishment during the year. Repair spending was £33,444 for general everyday issues, and Cyclical Maintenance Fund spending was £175,460, which included major refurbishment of 12 flats.

The annual internal inspection of Residents' flats by a Surveyor, which began in November 2022, was completed in February 2023. This was followed by a mid-year inspection by the Charity's staff.

The Charity's Appointments and Welfare Committee continues to monitor and refine processes for selecting almshouse residents to ensure that these processes are transparent and ensure appropriate appointments in line with the Charity's scheme. Twelve flats changed hands during the year. When there has been a change of occupant, each flat has been upgraded.

The Charity took part in the South and South East in Bloom competition and was awarded a Level 4 Award in the "It's Your Neighbourhood" category by the Royal Horticultural Society. The grounds are not only tended to by professional gardeners, but also by some of the Residents.

Benefits to residents
The Almshouses provide good accommodation and a supportive environment for about 70 beneficiaries. The Charity works with various public agencies in admitting and supporting some residents with particular problems, so providing a wider benefit to society. The importance of the Almshouses' service to the Faversham community has been increased by major housing associations' closure of two sites of sheltered housing for the elderly in the town in recent years.

Complaints
The Complaints Policy was updated during the year to meet the requirements of the Housing Ombudsman. A copy of the policy is available on the Charity's website and in the Resident's Handbook. There were no housing complaints during the year.

Chapel
Trustees reappointed as Chaplain the Rev Simon Rowlands, Priest-in-charge at St Mary of Charity. Monthly services have continued.

Education Branch
Trustees provided, for pupils of Queen Elizabeth's Grammar School, three prizes of £80 each for academic excellence and three £80 awards to support students in continuing education. The three awards for support in tertiary education were listed as Andrew Telfer memorial awards.

A grant of £1,000 was awarded during the year towards the F1 in Schools project at Queen Elizabeth's. Grants of £500 each were given towards the Duke of Edinburgh Awards programme run by Queen Elizabeth's Grammar School and to a student towards the cost of an educational expedition.

Under Scheme Clause 39(6), on reallocating surplus income, £1,000 was given towards the repair of the Almshouse roof.

Relief in Need Branch
A grant of £1,495 was awarded to help towards the cost of a mobility scooter. £4,051 was set aside to help with the repair of the Almshouse roofs.

Recreation Branch
The Charity owns the freehold of the 20-acre Faversham Recreation Ground, operated by Swale Borough Council as lessee, and holds modest funds for recreation branch purposes.

Trustees continue to seek to ensure that the Rec serves for the benefit and enjoyment of the public. Trustees are mindful that the governing instrument by which they are bound specifically requires that the Rec be used as a public recreation ground.

Under Scheme Clause 39 (6), on reallocating surplus income, £2,936 was given towards the repair of the Almshouses roof.

The Faversham Heritage Fund and Henry Hatch Charity
£4,250 was given towards the repair of the Almshouses roof.

4. FINANCIAL REVIEW

4.1 Reserves policy

In order to fund the maintenance and repair of the Almshouse property from its own resources, the Charity holds cash and investments to generate income. If required, all opportunities for grants from statutory authorities and other funders will be accessed. Cyclical and extraordinary repairs are funded annually out of current-year income from the weekly maintenance contributions from residents of the Almshouses, together with improvements in accommodation as dwellings become vacant.

4.2 Principal funding

The gifts of past benefactors, mainly in wills, form the basis of the present charities and enable the trustees to support Faversham today. Money donated in this way is not spent but invested so that income may be available for present and future generations.

4.3 Material investments policy

Schroders Personal Wealth manages the Charity's main investments, seeking a balanced return through a diversified portfolio of collective instruments.

5. VALUE FOR MONEY (VFM)

This report sets out our VFM performance looking back over 2023 and provides our VFM targets going forward. It aims to provide the reader with a transparent account of how we are striving to make the most of the resources at our disposal in the pursuit of our strategic objectives. We positively encourage feedback and challenge from our customers and other stakeholders on our VFM performance. The report is structured to meet the requirements of the RSH's VFM standard with which we must comply as a Registered Provider.

Metric	RSH metrics	2023	2024 Target	Global accounts lower quartile
Reinvestment %	Yes	5%	5%	4.70%
New supply delivered %	Yes	0%	0%	
New social housing supply	Yes	0%	0%	0.70%
New non- social housing supply	Yes	0%	0%	0.00%
Gearing % – debt as a percentage of assets	Yes	0%	0%	32.10%
EBITDA MRI Interest Cover %	Yes	-825%	10%	107%
Headline social housing cost per unit	Yes	£7,892	£5,000	£3,700
Operating margin % - social housing	Yes	-0.82%	5%	17.60%
Operating margin % - overall	Yes	3.98%	5%	14.30%
Return on capital employed (ROCE) %	Yes	30.19%	2%	2.40%

In a very difficult year, our staff have performed extremely well in continuing, and improving, the provision of social housing. As a charity, we would expect our costs to be greater, and our operating margins and return on capital employed to be lower, than the global metrics, to meet our charitable aims. The Charity uses its resources to maintain the properties to a high standard, and to make improvements where possible, rather than acquiring new units; this strategy is unlikely to change in the foreseeable future, as a significant improvement programme was carried out during the year.

6. FUTURE DEVELOPMENTS

The Quinquennial Report in 2021 identified that the roofs of the main 1863 building need repairing urgently. The work to repair the roof of the southern block began in August 2023 and it is envisaged that this work will be completed in April 2024. The work to repair the northern block will commence once sufficient funds have been raised. Fundraising initiatives for this essential work are ongoing.

The full application for two-storey extensions converting our bedsits into one-bedroom flats and increasing the number of units was approved by the Council in December 2021. However, as the roof repair work was identified as being needed, this forced a pause in working towards a start on the remodelling project due to the challenge of financing both projects.

7. EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Employees are kept informed of all matters which may directly affect them, and also on the day-to-day running of the Charity. In particular, regular consultations take place specifically regarding residents and their welfare, and on matters identified which may require an update of policy. All employee issues are discussed with trustees, and support and/or appropriate action taken without delay.

In accordance with the requirement for equal opportunities, the Charity has established fair employment practices in recruitment, selection etc of disabled staff.

Staff remuneration is reviewed annually, and any increases are based upon inflation figures. When available, more specific comparisons are made with other almshouse charities of a similar size and operation.

THE FAVERSHAM MUNICIPAL CHARITIES 2010

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

8. TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees 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 the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions and 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 Statement of Recommended Practice Accounting by Registered Social Housing Providers 2014 and the Accounting Direction for Private Registered Providers of Social Housing 2015 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the trustees, on 15 May 2024 and signed on their behalf by:

David Simmons
.....
Mr D H S Simmons, Chairman

.....
Mr J N Coulter, Vice Chairman

Carolyn Flanagan
.....
Mrs C Flanagan, Clerk to the Trustees

THE FAVERSHAM MUNICIPAL CHARITIES 2010

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FAVERSHAM MUNICIPAL CHARITIES 2010

Opinion

We have audited the financial statements of Faversham Municipal Charities 2010 (the 'charity') for the year ended 31 December 2023 which comprise the statement of comprehensive income, the statement of changes in equity, the statement of financial position, the statement of cash flows and the related notes. 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).

The financial statements have been prepared in accordance with The Accounting Direction for Private Registered Providers of Social Housing from April 2015 and the Statement of Recommended Practice (SORP) Accounting by registered social housing providers (updated 2018).

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023, 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 Charities Act 2011, the Housing and Regeneration Act 2008 and The Accounting Direction for Social Housing in England from April 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FAVERSHAM MUNICIPAL CHARITIES 2010

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

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 trustees

As explained more fully in the statement of trustees' responsibilities set out on page 8, the trustees 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FAVERSHAM MUNICIPAL CHARITIES 2010

Auditors' 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 Auditors' 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:

Capability of the audit in detecting irregularities including fraud

Based on our understanding of the Charity, we have considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011. We evaluated management incentives and opportunities for fraudulent manipulation of the financial statements including management override, and considered that the principal risk was related to the posting of inappropriate journal entries to improve the result before tax for the year.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

Procedures performed by the audit team included:

- Discussions with management regarding known or suspected instances of non-compliance with laws and regulations;
- Evaluation of controls designed to prevent and detect irregularities; and
- Assessing journal entries as part of our planned audit approach.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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.

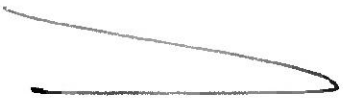
Magee Gammon Corporate Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE FAVERSHAM MUNICIPAL CHARITIES 2010

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FAVERSHAM MUNICIPAL CHARITIES 2010

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Account 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 trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



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Mr Andrew J Childs FCA (Senior Statutory Auditor)
For and on behalf of Magee Gammon Corporate Limited
Chartered Accountants
Statutory Auditor
Henwood House
Henwood
Ashford
Kent
TN24 8DH

Date: 21 May 2024

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 Restricted £	2023 Unrestricted £	2023 Total £	2022 Total £
Turnover	3	-	349,805	349,805	319,975
Operating costs					
Direct costs	8	-	(328,649)	(328,649)	(251,402)
Support costs	9	(273)	(70,530)	(70,803)	(71,272)
		(273)	(399,179)	(399,452)	(322,674)
Operating (deficit)/surplus		(273)	(49,374)	(49,647)	(2,699)
Other income					
Donations and legacies	2	25,000	482	25,482	548
Interest receivable and other income	4	4,861	33,793	38,654	48,091
Gains on investment disposals	17	169,438	1,186,795	1,356,233	101,766
		199,299	1,221,070	1,420,369	150,405
Other expenditure					
Interest payable	14	-	(16,347)	(16,347)	(16,495)
Investment management expenses	5	(1,190)	(7,770)	(8,960)	(9,864)
Grants payable	6	-	(3,815)	(3,815)	(25,071)
Governance costs	10	(650)	(11,101)	(11,751)	(12,989)
(Deficit)/Surplus for the year		197,186	1,132,663	1,329,849	83,287
Unrealised gains/(losses) on investments	17	(158,245)	(1,102,021)	(1,260,266)	(429,061)
Total comprehensive income/ (expenditure) for the year		38,941	30,642	69,583	(345,774)

On behalf of the trustees:

.....
Mr D H S Simmons, Chairman

.....
Mr J N Coulter, Vice Chairman

Carolyn Flanagan
.....
Mrs C Flanagan, Clerk to the Trustees

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF CHANGES IN EQUITY
ENDED 31 DECEMBER 2023

	Revenue Reserves £	Designated Reserves £	Restricted Funds £	Total £
Balance at 1 January 2022	2,840,174	426,916	264,394	3,531,484
Surplus / (deficit) from statement of comprehensive income	83,988	17,071	(17,772)	83,287
Unrealised (losses) / gains on investments	(269,526)	(123,337)	(36,198)	(429,061)
	2,654,636	320,650	210,424	3,185,710
Transfers between funds	54,688	(54,688)	-	-
Balance at 31 December 2022	2,709,324	265,962	210,424	3,185,710
Balance at 1 January 2023	2,709,324	265,962	210,424	3,185,710
Surplus / (deficit) from statement of comprehensive income	1,185,667	(53,004)	197,186	1,329,849
Unrealised (losses) / gains on investments	(1,033,357)	(68,664)	(158,245)	(1,260,266)
	2,861,634	144,294	249,365	3,255,297
Transfers between funds	(244,937)	274,187	(29,250)	-
Balance at 31 December 2023	2,616,697	418,481	220,115	3,255,293

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF FINANCIAL POSITION
AS AT YEAR ENDED 31 DECEMBER 2023

	Notes	2023		2022
		£	£	£
Fixed assets				
Tangible fixed assets	16		2,322,660	2,219,597
Investments	17		1,575,500	1,811,087
			3,898,160	4,030,684
Current assets				
Trade and other debtors	18	390,159	210,165	
Cash and cash equivalents	27	171,398	169,664	
		561,557	379,829	
Creditors: amounts falling due within one year	19	(55,329)	(52,313)	
Net current assets			506,228	327,516
Total assets less current liabilities			4,404,388	4,358,200
Creditors: amounts falling due after more than one year	20		(1,149,095)	(1,172,490)
Total net assets			3,255,293	3,185,710
Reserves	24			
Revenue reserve			2,616,697	2,709,324
Designated reserves			418,480	265,962
Restricted reserves			220,116	210,424
			3,255,293	3,185,710

These financial statements were approved by the trustees and authorised for issue on 15 May 2024.

On behalf of the trustees:

.....
Mr D H S Simmons, Chairman

.....
Mr J N Coulter, Vice Chairman

.....
Mrs C Flanagan, Clerk to the Trustees

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 £	2022 £
Net cash generated from operating activities	(247,256)	(182,446)
Cash flow from investing activities		
Dividends, interest and rents from investments	38,654	48,091
Purchase of tangible fixed assets	(119,672)	(16,535)
Proceeds from sales of investments	1,869,699	173,000
Purchase of investments	(1,538,145)	(11,955)
	250,536	192,601
Cash flow from financing activities		
Repayment of borrowings	(1,547)	(1,411)
	(1,547)	(1,411)
Net change in cash and cash equivalents	1,734	8,744
Cash and cash equivalents at the beginning of the year	169,664	160,920
Cash and cash equivalents at the end of the year	171,398	169,664

1. Accounting policies

1.1 Basis of preparation

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. The departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015 and Charities Act 2011.

The Faversham Municipal Charities 2010 constitutes a public benefit entity as defined by FRS 102.

1.2 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution has been made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Turnover represents rental income (net of void losses), other income receivable from properties owned by the Association and amortisation of Social Housing Grant (SHG) under the accrual method.

1. Accounting policies (continued)

1.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measure reliably. Expenditure is classified by activity. The costs of each activity are made up of the total direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support cost which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include projects managements carried out at Headquarters. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred to the Charity's educational operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as commitment, but not accrued as expenditure.

1.4 Tangible fixed assets and depreciation

A review for impairment of a fixed assets is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of comprehensive income.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairments. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimate residual value, over their expected useful lives on the following bases:

Freehold Property	50 years
Fixtures and fittings	25 years
Roofs	80 years
Bathrooms	25 years
Kitchens	25 years
Boilers	20 years

1. Accounting policies (continued)

Freehold land is not subject to depreciation.

Housing properties are stated at their historical cost less depreciation and any provision for impairment. Costs include the cost of acquisition, construction and improvement. Improvements are works which results in an enhancement of the economic benefits of the asset to the Charity arising from an increase in the net rental income over the life of the asset, such as the reduction of future maintenance costs, or which results in the significant extension of the useful economic life of the property.

Depreciation is charged so as to write down the cost or valuation (net of Housing Association Grant, and other capital grants) of the freehold housing properties and major components on a straight-line basis over their expected useful economic lives. Major components are treated as separable assets and depreciated over their expected useful economic lives or he lives of the structure to which they relate, if shorter.

The estimated useful economic life for each component has been based on the Charity's current experience of component replacement. The Charity will continue to monitor and review the useful economic life of each component and make revisions where sustained material changes occur.

Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any write down would be charged to the operating surplus.

1.5 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Statement of financial position date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/ (losses) on investments on the Statement of comprehensive income.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measures reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.7 Debtors

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

1.8 Cash at bank and in hand

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

1. Accounting policies (continued)

1.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Statement of financial position date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.11 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

1.12 Fund accounting

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

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors of which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

1.13 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are discussed below.

1. Accounting policies (continued)

Critical areas of judgement:

The trustees have reviewed the asset lives and residual values of all fixed asset classes and have concluded that the asset lives and residual values are appropriate.

1.14 Social Housing Grant

Social Housing Grant (SHG) is used to reduce the capital costs of housing property. SHG is initially recognised at fair value as a long-term liability, specifically as deferred grant income, and released through the income and expenditure as turnover income over the life of the structure of the housing properties in accordance with the accrual method applicable to social housing landlords holding housing properties at cost.

1.15 Cyclical Repairs and Maintenance

The Charity has established a regular programme of cyclical repairs and maintenance. Costs are charged to the Revenue account in the year in which they are incurred.

1.16 Extraordinary Repairs

Costs of Extraordinary Repairs unless representing improvements to the properties, are charged to the Revenue account in the year in which they are incurred. The Extraordinary Repairs Reserve represents the amounts set aside to carry out major repairs on Housing properties.

2. Income from donations and legacies

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	-	482	482	548
Legacies	-	-	-	-
Grants	25,000	-	25,000	-
	25,000	482	25,482	548
Total 2022	*144*	*404*	*548*	

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

3. Turnover from social housing lettings

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Weekly maintenance contributions	-	377,042	377,042	351,067
Less: losses from voids	-	(48,950)	(48,950)	(52,805)
	-	328,092	328,092	298,262
Social housing grant utilised	-	21,713	21,713	21,713
	-	349,805	349,805	319,975
Total 2022	-	*319,975*	*319,975*	

Accommodation in management

	2023	2022
Housing for older people in need	69	69

4. Investment Income

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Local listed investments	4,711	30,762	35,473	47,548
Local investment properties	-	17	17	17
Local cash	150	3,014	3,164	526
	4,861	33,793	38,654	48,091
Total 2022	*5,802*	*42,289*	*48,091*	

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

5. Investment management costs

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment management fees	1,190	7,770	8,960	9,864
	1,190	7,770	8,960	9,864
Total 2022	*1,168*	*8,696*	*9,864*	

6. Analysis of grants

	Grants to Individuals 2023 £	Grants to Institutions 2023 £	Total 2023 £	Total 2022 £
Almshouse & Chapel Branch	-	-	-	-
Relief in Need Branch	1,495	-	1,495	-
Education Branch	2,320	-	2,320	3,071
The Faversham Heritage Fund & Henry Hatch Charity	-	-	-	22,000
Recreation Branch	-	-	-	-
	3,815	-	3,815	25,071
Total 2022	*22,000*	*3,071*	*25,071*	

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

7. Analysis of expenditure on charitable activities

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Almshouse & Chapel Branch	-	414,903	414,903	338,205
Relief in Need Branch	-	1,747	1,747	282
Education Branch	-	2,579	2,579	3,346
The Faversham Heritage Fund & Henry Hatch Charity	273	-	273	22,292
Recreation Branch	-	112	112	115
	273	419,341	419,614	364,240
Total 2022	*22,292*	*341,948*	*364,240*	

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2023

8. Direct costs

	Almshouse & Chapel Branch £	Relief in Need Branch £	Education Branch £	Recreation Branch £	Heritage and Hatch Charity £	Total 2023 £	Total 2022 £
Rates	244	-	-	-	-	244	244
Insurance	28,156	-	-	-	-	28,156	23,158
Light & heat	26,699	-	-	-	-	26,699	24,392
Building repairs	171,643	-	-	-	-	171,643	112,124
Equipment repairs	21,677	-	-	-	-	21,677	13,891
Grounds upkeep	22,619	-	-	-	-	22,619	18,153
Wages and salaries	40,023	-	-	-	-	40,023	44,866
National insurance	291	-	-	-	-	291	657
Pension cost	688	-	-	-	-	688	527
Depreciation	16,609	-	-	-	-	16,609	13,390
	328,649	-	-	-	-	328,649	251,402
Total 2022	*251,402*	-	-	-	-	*251,402*	

9. Support costs

	Almshouse & Chapel Branch	Relief in Need Branch	Education Branch	Recreation Branch	Heritage and Hatch Charity	Total 2023	Total 2022
	£	£	£	£	£	£	£
Office	12,885	252	259	112	273	13,781	15,149
Wages and salaries	53,118	-	-	-	-	53,118	51,731
National insurance	2,383	-	-	-	-	2,383	2,951
Pension cost	1,521	-	-	-	-	1,521	1,441
	69,907	252	259	112	273	70,803	71,272
Total 2022	*70,308*	*282*	*275*	*115*	*292*	*71,272*	

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2023

10. Governance costs

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Auditor's remuneration	571	8,879	9,450	9,120
Legal & professional fees	-	1,636	1,636	3,120
Trustee indemnity insurance	79	586	665	749
	650	11,101	11,751	12,989
Total 2022	*991*	*11,998*	*12,989*	

During the year ended 31 December 2023, the Charity incurred the following governance costs:

£10,000 (*2022-£10,319*) included within the table above in respect of the Almshouse & Chapel Branch.
£462 (*2022-£706*) included within the table above in respect of the Relief in Need Branch.
£530 (*2022-£808*) included within the table above in respect of the Education Branch.
£108 (*2022-£165*) included within the table above in respect of the Recreation Branch.
£650 (*2022-£991*) included within the table above in respect of The Faversham Heritage Fund and Henry Hatch Charity.

11. Analysis of expenditure by expenditure type

	Staff costs 2023 £	Depreciation 2023 £	Other costs 2023 £	Total 2023 £	Total 2022 £
Investment management fees	-	-	8,960	8,960	9,864
Costs of raising funds	-	-	8,960	8,960	9,864
Almshouse & Chapel Branch	98,024	16,609	300,270	414,903	338,205
Relief in Need Branch	-	-	1,747	1,747	282
Education Branch	-	-	2,579	2,579	3,346
The Faversham Heritage Fund & Henry Hatch Charity	-	-	273	273	22,292
Recreation Branch	-	-	112	112	115
Charitable activities	98,024	16,609	304,981	419,614	364,240
Expenditure on governance	-	-	11,751	11,751	12,989
	98,024	16,609	325,692	440,325	387,093
Total 2022	*102,173*	*13,390*	*271,530*	*387,093*	

12. Net income / (expenditure)

	2023 £	2022 £
Auditor's remuneration	9,450	9,120
Depreciation	16,609	13,390

No trustees received any remuneration, benefits in kinds or reimbursement of expenses (2022 - £nil).

The Clerk to the Trustees received emoluments of £54,638 (2022 - £53,172).

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2023

13. Staff costs

	2023 £	2022 £
Wages and salaries	93,141	96,597
Social security costs	2,674	3,608
Pension costs	2,209	1,968
	98,024	102,173

The average number of persons employed by the charity during the year was as follows:

	2023 No.	2022 No.
Scheme Manager (Part time)	1	2
Caretaker and cleaner	2	2
Administration	2	2
	6	6

No employee received remuneration above £60,000 (2022 – none).

14. Interest payable

	2023 £	2022 £
On loans wholly or partly payable in > 5 years	16,347	16,495

15. Taxation

Factors affecting tax charge for the year

The Housing Association is a Registered Charity and is therefore exempt from liability to taxation on its income and capital gains.

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

16. Tangible fixed assets

	Freehold property 2023 £	Fixtures and fittings 2023 £	Total 2023 £
Cost or valuation			
At 1 January 2023	2,967,086	270,437	3,237,523
Additions	-	119,672	119,672
Disposals	(162,654)	-	(162,654)
At 31 December 2023	2,804,432	390,109	3,194,541
Depreciation			
At 1 January 2023	957,736	60,190	1,017,926
Charge for the year	2,995	13,614	16,609
Depreciation on disposals	(162,654)	-	(162,654)
At 31 December 2023	798,077	73,804	871,881
Net book value			
At 31 December 2023	2,006,355	316,305	2,322,660
At 31 December 2022	*2,009,350*	*210,247*	*2,219,597*

The above details relate to improvements and developments of the properties which were transferred on 1 January 2013 from Faversham United Municipal Charities and there are no records of the original cost of them.

They were funded by Housing Corporation Grants totalling £1,737,009.91 and Residual Mortgage Loans of £57,523 at an annual interest rate of 14% per annum over 30 years from 1 November 1982, and £190,465.24 at an annual interest rate of 9.375% per annum over 60 years from 1 October 1989. The balance was provided from the Charity's resources.

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2023

17. Investments

	2023 £	2022 £
IPS Growth Portfolio – 0 units (2022 – 128,839.04)	-	257,420
IPS High Yield Income Portfolio – 0 units (2022 – 1,497,856.35)	-	1,393,006
ICVC High Income & Emerging Market - 511,403.87 units (2022 – 0)	416,641	-
ICVC Global Investment Bond Fund – 618,153.44 units (2022 – 0)	528,336	-
ICVC Global Sovereign Bond Fund – 54,860.59 units (2022 – 0)	49,375	-
Vanguard Global Corporate Bond Fund – 1,826.78 units (2022 – 0)	153,098	-
iShares Japan Equity Fund – 18,678.37 units (2022 – 0)	19,247	-
Schroders US Equity Income Fund – 16,251.50 units (2022 – 0)	11,140	-
SPW UK Equity Income Fund - 90,530.60 units (2022 – 0)	146,750	-
SPW Asia Global Emerging Market - 29,105.16 units (2022 – 0)	23,855	-
SPW Japanese Equity Fund – 7,915.15 units (2022 – 0)	8,873	-
SPW North American Equity Fund – 69,144.16 units (2022 – 0)	81,521	-
SPW Global Real Estate Fund – 45,055.74 units (2022 – 0)	85,921	-
Charities Investment Fund ERF Scheme – 204.61 units (2022 – 728.99)	50,743	160,661
	1,575,500	1,811,087

The cost of investments at 31 December 2023 is as follows:

IPS Growth Portfolio	-	177,929
IPS High Yield Income Portfolio	-	1,628,247
ICVC High Income & Emerging Market	384,320	-
ICVC Global Investment Bond Fund	488,804	-
ICVC Global Sovereign Bond Fund	46,714	-
Vanguard Global Corporate Bond Fund	142,584	-
iShares Japan Equity Fund	18,494	-
Schroders US Equity Income Fund	10,900	-
SPW UK Equity Income Fund	140,141	-
SPW Asia Global Emerging Market	23,357	-
SPW Japanese Equity Fund	8,564	-
SPW North American Equity Fund	77,856	-
SPW Global Real Estate Fund	77,856	-
Charities Investment Fund ERF Scheme	16,097	57,350
	1,435,687	1,863,527

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2023

17. Investments (continued)

	2023 £	2022 £
Market Value at 1 January	1,811,087	2,299,427
Additions	1,538,145	11,955
Disposals	(1,869,699)	(173,000)
Realised surplus	1,356,233	101,766
Unrealised deficit	(1,260,266)	(429,061)
	1,575,500	1,811,087

18. Trade and other debtors

	2023 £	2022 £
Social housing rent arrears	1,045	1,710
Other debtors	200	-
Prepayments and accrued income	388,914	208,455
	390,159	210,165

19. Creditors: amounts falling due within one year

	2023 £	2022 £
Other loans	1,546	1,411
Accruals and deferred income	32,070	29,189
Deferred grant	21,713	21,713
	55,329	52,313

20. Creditors: amounts falling due after more than one year

	2023 £	2022 £
Deferred grant	977,055	998,768
Other loans	172,040	173,722
	1,149,095	1,172,490

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2023

21. Deferred income

	2023 £	2022 £
Balance brought forward	2,558	2,857
Released in year	(2,558)	(2,857)
Deferred during the year	4,653	2,558
Balance carried forward	4,653	2,558

22. Deferred grants

	2023 £	2022 £
Balance brought forward	1,020,481	1,042,194
Released in year	(21,713)	(21,713)
Balance carried forward	998,768	1,020,481

The deferred grant represents a capital grant received in 1980-84, 1988-91, 2003 and 2004-05 for the modernisation of the Almshouses, building of new Almshouses, replacing gas boilers and windows. The grant is being released over the estimated useful life of the property in association with FRS102.

23. Loans

	2023 £	2022 £
Due within 1 Year	1,546	1,411
Due within 1-2 Years	1,550	1,550
Due within 2-5 Years	4,750	4,750
Due in > 5 Years	165,740	167,422
Balance carried forward	173,586	175,133

Loans are secured over the assets concerned.

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2023

24. Statement of funds

Statement of funds - current year

	Balance at 1 January 2023	Income	Expenditure	Transfers In/out	Gains/ (Losses)	Balance at 31 December 2023
	£	£	£	£	£	£
Designated funds						
Cyclical maintenance fund	78,453	-	(125,427)	119,010	-	72,036
Emergency repair fund	160,660	-	(7,925)	(113,675)	11,682	50,742
Housing redevelopment fund	1,849	-	-	64	-	1,913
Roof repair fund	25,000	-	-	-	-	25,000
Roof phase 1 fund	-	-	-	268,788	-	268,788
	265,962	-	(133,352)	274,187	11,682	418,480
General funds						
General funds	2,690,469	375,820	(297,305)	(226,589)	54,110	2,596,506
Education branch	5,256	3,972	(4,082)	(7,945)	9,145	6,345
Recreation branch	3,541	825	(418)	(4,313)	1,863	1,498
Relief in need branch	10,058	3,463	(3,056)	(6,090)	7,973	12,348
	2,975,286	384,080	(438,213)	29,250	84,773	3,035,177
Restricted funds						
Organ maintenance fund	3,550	-	-	-	-	3,550
Faversham Heritage fund and HH Charity	206,874	4,861	(2,112)	(4,250)	11,193	216,566
Roof repair	-	25,000	-	(25,000)	-	-
	210,424	29,861	(2,112)	(29,250)	11,193	220,116
Total of funds	3,185,710	413,941	(440,325)	-	95,966	3,255,293

24. Statement of funds (continued)

Statement of funds - Prior Year

	Balance at 1 January 2022	Income	Expenditure	Transfers In/out	Gains/ (Losses)	Balance at 31 December 2022
	£	£	£	£	£	£
Designated funds						
Cyclical maintenance fund	57,882	-	(50,123)	70,694	-	78,453
Emergency repair fund	197,371	-	(27,440)	7,440	(16,711)	160,660
Housing redevelopment fund	146,663	-	-	(132,822)	(11,992)	1,849
Roof repair fund	25,000	-	-	-	-	25,000
	426,916	-	(77,563)	(54,688)	(28,703)	265,962
General funds						
General funds	2,832,264	352,821	(277,568)	(13,707)	(203,341)	2,690,469
Education branch	1,525	4,734	(5,107)	32,948	(28,844)	5,256
Recreation branch	2,195	965	(474)	6,737	(5,882)	3,541
Relief in need branch	4,190	4,148	(1,819)	28,710	(25,171)	10,058
	3,267,090	362,668	(362,531)	-	(291,941)	2,975,286
Restricted funds						
Organ maintenance fund	3,518	144	(112)	-	-	3,550
The Faversham Heritage fund and Henry Hatch Charity	260,876	5,802	(24,451)	-	(35,353)	206,874
	264,394	5,946	(24,563)	-	(35,353)	210,424
Total of funds	3,531,484	368,614	(387,094)	-	(327,294)	3,185,710

24. Statement of funds (continued)

Summary of funds - Current Year

	Balance at 1 January 2023	Income	Expenditure	Transfers In/out	Gains/ (Losses)	Balance at 31 December 2023
	£	£	£	£	£	£
Designated funds	265,962	-	(133,352)	274,187	11,682	418,480
General funds	2,709,322	384,080	(304,861)	(244,937)	73,091	2,616,697
	2,975,286	384,080	(438,213)	29,250	84,773	3,035,177
Restricted funds	210,424	29,861	(2,112)	(29,250)	11,193	220,116
	3,185,710	413,941	(440,325)	-	95,966	3,255,293

Summary of funds – Prior Year

	Balance at 1 January 2022	Income	Expenditure	Transfers In/out	Gains/ (Losses)	Balance at 31 December 2022
	£	£	£	£	£	£
Designated funds	426,916	-	(77,562)	(54,688)	(28,703)	265,962
General funds	2,840,172	362,668	(284,967)	54,688	(263,239)	2,709,322
	3,267,088	362,668	(362,530)	-	(291,942)	2,975,284
Restricted funds	264,394	5,946	(24,563)	-	(35,353)	210,425
	3,531,482	368,614	(387,093)	-	(327,295)	3,185,709

25. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	2,322,660	2,322,660
Fixed asset investments	202,488	1,373,012	1,575,500
Current assets	17,628	543,929	561,557
Creditors due within one year	-	(55,329)	(55,329)
Creditors due within more than one year	-	(1,149,095)	(1,149,095)
	220,116	3,030,927	3,255,293

Analysis of net assets between funds - prior year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	2,219,597	2,219,597
Fixed asset investments	195,411	1,615,676	1,811,087
Current assets	15,014	364,815	379,829
Creditors due within one year	-	(52,313)	(52,313)
Creditors due within more than one year	-	(1,172,490)	(1,172,490)
	210,425	2,975,285	3,185,710

26. Reconciliation in net movement in fund to net cash flow from operating activities

	2023 £	2022 £
Net income/(expenditure) for the year	69,583	(345,774)
Adjustments for:		
Depreciation charges	16,609	13,390
(Gains)/losses on investments	(95,967)	327,295
Dividends, interest and rents from investments	(38,654)	(48,091)
Loss on the sale of fixed assets	-	-
(Increase) / decrease in debtors	(179,994)	(109,175)
(Decrease) / increase in creditors	(18,833)	(20,091)
Net cash (used in) / by operating activities	(247,256)	(182,446)

Analysis of net debt

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	169,664	1,734	171,398
Debt due after 1 year	(173,722)	1,682	(172,040)
Debt due within 1 year	(1,411)	(135)	(1,546)
	(5,469)	3,281	(2,188)

27. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	171,398	169,664

28. Grant commitments

At the 31 December 2023 the Charity had commitments as follows:

	2023	2022
	£	£
Within one year	-	1,100
Between one and two years	-	-
	-	1,100

29. Pension commitments

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 £2,209 (2022 - £1,968). Contributions totalling £nil (2022 - £nil) were payable to the fund at the Statement of financial position date.

30. Related party transactions

Mr Simmons (until May 2023) and Cllr Jackson are members of Swale Borough Council. Mr Barker (until May 2023) and Mrs Reynolds (until May 2023) and Cllr Jackson (until May 2023), and Cllr Trevor Martin and Cllr Claire Martin are members of Faversham Town Council. During the year lease payments were received totalling £1 (2022 - £1) from Swale Borough Council for a recreation park held by the Charity. This is in respect of a long lease entered in 2010. The Councillors cannot use their position to their advantage. No monies were outstanding at the year end.

31. Leases arrangements

At the 31 December 2023 the Charity had future incoming resources from non-cancellable lease agreements as follows:

	2023	2022
	£	£
Within one year	1	1
Between one and two years	1	1
Between two and five years	3	3
More than five years	33	34
	36	37

32. Capital commitments

At the 31 December 2023 the Charity had commitments as follows:

	2023	2022
	£	£
Within one year	268,788	-
	268,788	-

THE FAVERSHAM MUNICIPAL CHARITIES 2010

England & Wales - Charity number 1140259

Accounts

Charity number 1140259

THE FAVERSHAM MUNICIPAL CHARITIES 2010

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2022

THE FAVERSHAM MUNICIPAL CHARITIES 2010

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THE FAVERSHAM MUNICIPAL CHARITIES 2010

LEGAL AND ADMINISTRATIVE DETAILS

Trustees	Cllr D H S Simmons, Chairman Mr J Coulter, Vice Chairman Cllr K M Barker Mrs C Davis Mr S A Fisher Mr M S Gates (Resigned as council appointee 27 February 2022, Appointed as co-opted Trustee 28 February 2022) Ms J S Hennessey Cllr C H Jackson (Appointed 28 February 2022) Cllr T J Martin (Appointed 28 February 2022) Mrs D Neame Cllr A Reynolds (Appointed 1 January 2022) Mr A Shepherd Mr D G Wade Mrs A J Walker (Died March 2023) Dr E J Wilcox (Resigned as council appointee 27 February 2022, Appointed as co-opted Trustee 28 February 2022)
Charity registration number	1140259
Registered office	5 The Almshouses South Road Faversham Kent ME13 7LU
Auditors	Magee Gammon Corporate Limited Henwood House Henwood Ashford Kent TN24 8DH
Bankers	National Westminster Bank Canterbury City Centre 11 The Parade Canterbury CT1 2SQ Schroders Personal Wealth 25 Gresham Street London EC2V 7HN
Solicitors	Furley Page 39 St Margaret's Street Canterbury CT1 2TX

THE FAVERSHAM MUNICIPAL CHARITIES 2010

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their annual report together with the audited financial statements of the charity Faversham Municipal Charities 2010 (the Charity) for the year 1 January 2022 to 31 December 2022.

The members of the board of trustees who have served during the year were:

Cllr D H S Simmons, Chairman
Mr J Coulter, Vice Chairman
Cllr K M Barker
Mrs C Davis
Mr S A Fisher
Mr M S Gates (Resigned as council appointee 27 February 2022, Appointed as co-opted Trustee 28 February 2022)
Ms J Hennessey
Cllr C H Jackson (Appointed 28 February 2022)
Cllr T J Martin (Appointed 28 February 2022)
Mrs D Neame
Cllr A Reynolds (Appointed 1 January 2022)
Mr A Shepherd
Mr D G Wade
Mrs A J Walker (Died March 2023)
Dr E J Wilcox (Resigned as council appointee 27 February 2022, Appointed as co-opted Trustee 28 February 2022)

1. STRUCTURE, GOVERNANCE AND MANAGEMENT

1.1 Constitution

Faversham Municipal Charities exists under its governing instrument, a Charity Commission scheme of 11 December 2012, and, in relation to the Faversham Heritage Fund and Henry Hatch Charity, a Charity Commission scheme of 29 November 2012. Faversham Municipal Charities is an unincorporated trustee body. Its area of benefit is the town of Faversham as at 2012.

The Charity's principal objectives are relief of poverty by provision of almshouses; advancement of education by provision of grants and bursaries to organisations or individuals; relief of poverty by the making of grants and payments to organisations or individuals; and provision of a recreation ground. The principal objectives of the heritage charity are preservation and improvement of historic buildings and townscape and landscape.

There have been no changes in the objectives since the last annual report.

1.2 Method of appointment or election of trustees

Under the scheme of 11 December 2012, there should be five nominated trustees appointed for a four-year term by Faversham Town Council at a meeting of the council and ten co-opted trustees appointed for a five-year term by the trustees at a special meeting. The trustees are trustees of the Faversham Heritage Fund and Henry Hatch Charity by virtue of its scheme of 29 November 2012.

In recent years, co-options of new co-opted trustees (other than co-options of a trustee who was immediately previously a council appointee) have mostly been by election from two or three candidates, who are asked to provide a CV. In appointing a co-opted trustee, the trustees are mindful of the types of professional and volunteer experience that would assist the Charity's work.

New trustees are given the Charity's governing instrument and latest accounts and a trustee declaration and are invited to meet the Clerk and view the Charity's almshouses site.

1.3 Organisational structure and decision making

Management of the Charity is the responsibility of the trustees.

The board of trustees has overall responsibility for achieving the Charity's aims and objectives.

The trustees meet quarterly to review the Charity's strategy and performance and to set objectives, operating plans and budgets. A General Purposes Committee deals with day-to-day running of the Charity, meeting in most months between quarterly meetings. The Appointments and Welfare Committee meets as needed to consider matters relating to almshouse residency. Working groups are occasionally appointed for particular purposes.

1.4 Risk management

The trustees have assessed the major risks to which the Charity is exposed, in particular those related to operations and finances of the Charity and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

1.5 Trustees' indemnities

Charity Protection Policy is in place with a £1 million limit of indemnity, which meets Charity Commission requirements.

2. OBJECTIVES AND ACTIVITIES

2.1 Policies and objectives

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission and Homes England relating to public benefit.

The two Charities administered by the Trustees are set out below with general notes on the operations and have all been disbursed in accordance with their respective schemes. Exact financial details are set out in the final accounts. The Trustees have reviewed the operation of these charities and are satisfied that they provide funds and grants for purposes that are charitable and of public benefit.

The Faversham Municipal Charities 2010 (registered charity 1140259) comprises four branches with the following objectives:

Almshouse and Chapel Branch
For relief of poverty by provision of almshouse accommodation for people resident in the area of benefit for not less than five years preceding appointment and for such charitable purposes for the benefit of the residents as the trustees decide.

Education Branch
For the advancement of education by the provision of grants and bursaries to organisations or individual's resident in the area of benefit and pupils or former pupils of Queen Elizabeth's Grammar School.

Relief in Need Branch
For relief of poverty by provision of grants and payments to organisations or individuals resident in the area of benefit.

Recreation Branch
For provision of a recreation ground in the area of benefit for the enjoyment of the public.

and *The Faversham Heritage Fund and Henry Hatch Charity (linked charity 1140259-1),* whose objects are preservation and improvement of historic buildings, the distinctive character of the townscape, landscape and the creek and preservation of historic artefacts, regalia and ceremonials in the area of benefit.

2.2 Grant-making policies

Grants are made to applicants in accordance with the provisions of the trust schemes.

3. ACHIEVEMENTS AND PERFORMANCE

3.1 Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details about adoption of the going concern basis are in the Accounting Policies.

3.2 Review of activities

Cllr David Simmons was re-elected Chairman for a sixth year at the Charity's AGM in January 2022.

Three nominated Trustees were appointed by Faversham Town Council for four-year terms. Cllr Alison Reynolds was appointed in January (replacing Mr Tom Gates). Cllr C Jackson and Cllr T Martin were appointed in February in co-opted vacancies that had arisen through retirements in late 2021 (replacing Mr M Gates and Dr E Wilcox , who had both stood down as town council appointees had been made co-opted Trustees).

Mrs D Neame was reappointed as a co-opted Trustee in January.

In June 2020, the Charity Commission confirmed that Municipal Charities of Faversham CIO had been successfully registered, following a process that began in 2017. There are still some outstanding steps to be completed, which mainly relate to the mechanics of the transfer. There is also some work to do to ensure we are compliant with the requirements of Homes England.

The CIO existed during the year as a legal entity without assets, income or expenditure. It is intended that the CIO should become sole corporate trustee of Faversham Municipal Charities 2010 after the satisfactory completion of processes with Homes England and the Charity Commission.

During the year work continued to develop policy documents, to assist with the management of the Charity.

The Trustees have reviewed the operation of FMC 2010 and are satisfied that they have complied with their duty to have due regard to public benefit guidance when exercising their charitable purposes.

The Trustees, at their April meeting, reviewed reserve funds of the four branches and the heritage charity and were satisfied that income had largely either been used or was being held ready for grant-recipients' projects to begin, with no undue accumulation.

This report provides highlights of the year. Grant-giving is reported for each branch.

Almshouse and Chapel Branch

Provision of Almshouses
The branch provides, at its site in South Road, Faversham, 69 almshouse units for about 70 beneficiaries, together with a chapel, a residents' lounge, a laundry room and a guest bedroom.

The work of this branch is primarily supported by investment income and by weekly maintenance contributions from almshouse residents.

Trustees continued to work with architects and advisers on a remodelling making our bedsits into one-bedroom flats. This is also referred to at item 6 (Future Developments).

Trustees have continued a programme, initiated in 2018, to improve the roof voids in the main almshouses block, including installation of LED lighting and emergency lighting, repositioning of pipes and cabling, better insulation, upgrading fire doors, and improved access for contractors.

The Charity continued its programme of ongoing maintenance, repair and refurbishment during the year. Repair spending was £24,328 for general everyday issues, and Cyclical Maintenance Fund spending was £67,309, which included major refurbishment of some flats and repainting the windows in the new build.

The annual internal inspection of Residents' flats began in November 2022 and was completed in early 2023.

The Charity's Appointments and Welfare Committee continues to monitor and refine processes for selecting almshouse residents to ensure that these processes are transparent and ensure appropriate appointments in line with the Charity's scheme. Some flats have been kept void during the year to ensure that residents are able to stay on the site whilst their bedsit is converted to a one-bedroom flat as part of a remodelling of the main block, referred to at item 6 (Future Developments).

Benefits to residents
The Almshouses provides good accommodation and a supportive environment for about 70 beneficiaries. The Charity works with various public agencies in admitting and supporting some residents with particular problems, so providing a wider benefit to society. The importance of the Almshouses' service to the Faversham community has been increased by major housing associations' closure of two sites of sheltered housing for the elderly in the town in recent years.

Complaints
The Complaints Policy was updated during the year to meet the requirements of the Housing Ombudsman. A copy of the policy is available on the FMC website and in the Resident's Handbook. There were no housing complaints during the year.

Chapel
Trustees reappointed as Chaplain the Rev Simon Rowlands, Priest-in-charge at St Mary of Charity. Monthly services have continued and have taken place in line with government public health guidelines.

Four organ recitals were given during the year, plus occasional concerts.

Education Branch

Trustees provided, for pupils of Queen Elizabeth's Grammar School, three prizes of £80 each for academic excellence and three £80 awards to support students in continuing education. The Trustees agreed during the year that the awards should be listed as the "Andrew Telfer Memorial Awards".

Grants of £600, £500 and £592 were awarded during the year to students to help towards their university courses. The following grants were also awarded during the year: £479 to help a mature student towards the cost of a new computer; and £500 to GEM72 towards a mobile youth initiative.

A pledge of £480 was made to Dover Athletic FC Academy (at Abbey School, Faversham) towards the cost of a new football kit.

Relief in Need Branch

No grants were awarded during the year. £3,101 has been set aside to help with the Almshouse remodelling project.

Recreation Branch

The Charity owns the freehold of the 20-acre Faversham Recreation Ground, operated by Swale Borough Council as lessee, and holds modest funds for recreation branch purposes.

Swale Council's £1.9m heritage-led refurbishment and improvement of the Recreation Ground, which is aided by a £1.6m Lottery award has been completed.

Trustees continue to seek to ensure that the Rec serves for the benefit and enjoyment of the public. Trustees are mindful that the governing instrument by which they are bound specifically requires that the Rec be used as a public recreation ground.

The Faversham Heritage Fund and Henry Hatch Charity

In 2014, FMC set aside £22,000 towards developing the footpaths around the creek. In January 2022, Kent County Council advised that works had commenced to deliver the project. The Trustees agreed the release of the funds, with the provision that it should be returned if the path was not completed and, if there was an underspend, a share should be returned to FMC.

3.3 Investment policy and performance

Following the financial volatility 2022, the portfolio finished the year £304,933 below the 1 January 2022 figure.

Trustees monitor investments, and a Schroders representative attends a full trustee meeting twice a year to give updates and answer questions. COIF is used to hold some funds for particular purposes.

4. FINANCIAL REVIEW

4.1 Reserves policy

In order to fund the maintenance and repair of the almshouse property from its own resources, the Charity holds cash and investments to generate income. If required, all opportunities for grants from statutory authorities and other funders will be accessed. Cyclical and extraordinary repairs are funded annually out of current-year income from the weekly maintenance contributions from residents of the almshouses, together with improvements in accommodation as dwellings become vacant.

4.2 Principal funding

The gifts of past benefactors, mainly in wills, form the basis of the present charities and enable the trustees to support Faversham today. Money donated in this way is not spent but invested so that income may be available for present and future generations.

4.3 Material investments policy

Schroders Personal Wealth manages the charities' main investments, seeking a balanced return through a diversified portfolio of collective instruments.

5. VALUE FOR MONEY (VFM)

This report sets out our VFM performance looking back over 2022 and provides our VFM targets going forward. It aims to provide the reader with a transparent account of how we are striving to make the most of the resources at our disposal in the pursuit of our strategic objectives. We positively encourage feedback and challenge from our customers and other stakeholders on our VFM performance. The report is structured to meet the requirements of the RSH's VFM standard with which we must comply as a Registered Provider.

Metric	RSH metrics	2022	2023 Target	Global accounts median 2021 Less than 2500 units
Reinvestment %	Yes	1%	2%	4.6%
New supply delivered %	Yes	0%	0%	
New social housing supply	Yes	0%	0%	0.80%
New non- social housing supply	Yes	0%	0%	0.00%
Gearing % – debt as a percentage of assets	Yes	0%	0%	33.70%
EBITDA MRI Interest Cover %	Yes	-162%	10%	205%
Headline social housing cost per unit	Yes	£5,289	£5,000	£4,790
Operating margin % - social housing	Yes	-0.84%	5%	25.10%
Operating margin % - overall	Yes	-73.51%	5%	22.10%
Return on capital employed (ROCE) %	Yes	1.84%	2%	2.90%

In a very difficult year, our staff have performed extremely well in continuing, and improving, the provision of social housing. As a charity, we would expect our costs to be greater, and our operating margins and return on capital employed to be lower, than the global metrics, to meet our charitable aims. The charity uses its resources to maintain the properties to a high standard, and to make improvements where possible, rather than acquiring new units; this strategy is unlikely to change in the foreseeable future.

6. FUTURE DEVELOPMENTS

The Quinquennial report in 2021 identified that the roof of the old build is in need of urgent repair. Tenders have been sought to undertake this work.

A full application for two-storey extensions converting our bedsits into one-bedroom flats and increasing the number of units was approved by the Council in December 2021. The Almshouse Consortium Ltd is helping with writing a grant application to seek funding for the project from Homes England. The project is dependent on obtaining sufficient grant funding, which remains a major issue, and the cost of repairing the roof.

As of 2023, the cost of the roof repair work now identified as being needed has forced a pause in working towards a start on the remodelling project and makes that a challenge to finance.

7. EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Employees are kept informed of all matters which may directly affect them, and also on the day-to-day running of the charity. In particular, regular consultations take place specifically regarding residents and their welfare, and on matters identified which may require an update of policy. All employee issues are discussed with Trustees, and support and/or appropriate action taken without delay.

In accordance with the requirement for equal opportunities, the Charity has established fair employment practices in recruitment, selection etc of disabled staff.

Staff remuneration is reviewed annually, and any increases are based upon inflation figures. When available, more specific comparisons are made with other almshouse charities of a similar size and operation.

8. TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees 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 the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions and 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 Statement of Recommended Practice Accounting by Registered Social Housing Providers 2014 and the Accounting Direction for Private Registered Providers of Social Housing 2015 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the trustees, on 17 May 2023 and signed on their behalf by:

David S. Simmons
.....
Cllr D H S Simmons, Chairman

.....
Mr J N Coulter, Vice Chairman

Carolyn Flanagan
.....
Mrs C Flanagan, Clerk to the Trustees

THE FAVERSHAM MUNICIPAL CHARITIES 2010

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FAVERSHAM MUNICIPAL CHARITIES 2010

Opinion

We have audited the financial statements of Faversham Municipal Charities 2010 (the 'charity') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the statement of changes in equity, the statement of financial position, the statement of cash flows and the related notes. 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).

The financial statements have been prepared in accordance with The Accounting Direction for Private Registered Providers of Social Housing from April 2015 and the Statement of Recommended Practice (SORP) Accounting by registered social housing providers (updated 2018).

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022, 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 Charities Act 2011, the Housing and Regeneration Act 2008 and The Accounting Direction for Social Housing in England from April 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FAVERSHAM MUNICIPAL CHARITIES 2010

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

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 trustees

As explained more fully in the statement of trustees' responsibilities set out on page 8, the trustees 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FAVERSHAM MUNICIPAL CHARITIES 2010

Auditors' 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 Auditors' 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:

Capability of the audit in detecting irregularities including fraud

Based on our understanding of the Charity, we have considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011. We evaluated management incentives and opportunities for fraudulent manipulation of the financial statements including management override, and considered that the principal risk was related to the posting of inappropriate journal entries to improve the result before tax for the year.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

Procedures performed by the audit team included:

- Discussions with management regarding known or suspected instances of non-compliance with laws and regulations;
- Evaluation of controls designed to prevent and detect irregularities; and
- Assessing journal entries as part of our planned audit approach.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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.

Magee Gammon Corporate Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE FAVERSHAM MUNICIPAL CHARITIES 2010

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FAVERSHAM MUNICIPAL CHARITIES 2010

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Account 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 trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....

Mr Andrew J Childs FCA (Senior Statutory Auditor)
For and on behalf of Magee Gammon Corporate Limited
Chartered Accountants
Statutory Auditor
Henwood House
Henwood
Ashford
Kent
TN24 8DH

Date: 22 May 2023

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 Restricted £	2022 Unrestricted £	2022 Total £	2021 Total £
Turnover	3	-	319,975	319,975	317,234
Operating costs					
Direct costs	8	112	251,290	251,402	225,909
Support costs	9	292	70,980	71,272	62,093
		(404)	(322,270)	(322,674)	(288,002)
Operating (deficit)/surplus		(404)	(2,295)	(2,699)	29,232
Other income					
Donations and legacies	2	144	404	548	20,649
Interest receivable and other income	4	5,802	42,289	48,091	38,271
Gains on investment disposals	17	844	100,922	101,766	105,829
		6,791	143,614	150,405	164,749
Other expenditure					
Interest payable	14	-	(16,495)	(16,495)	(16,602)
Investment management expenses	5	(1,168)	(8,696)	(9,864)	(1,755)
Grants payable	6	(22,000)	(3,071)	(25,071)	(11,359)
Governance costs	10	(991)	(11,998)	(12,989)	(17,303)
(Deficit)/Surplus for the year		(17,772)	101,059	83,287	146,962
Unrealised losses on investments	17	(36,198)	(392,863)	(429,061)	(12,757)
Total comprehensive income/ (expenditure) for the year		(53,970)	(291,804)	(345,774)	134,205

On behalf of the trustees:

.....
Cllr D H S Simmons, Chairman

.....
Mr J N Coulter, Vice Chairman

.....
Mrs C Flanagan, Clerk to the Trustees

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Revenue Reserves £	Designated Reserves £	Restricted Funds £	Total £
Balance at 1 January 2021	2,748,359	382,120	266,600	3,397,279
Surplus / (deficit) from statement of comprehensive income	202,040	(80,202)	25,124	146,962
Unrealised (losses)/gains on investments	(56,068)	50,841	(7,530)	(12,757)
	2,788,501	352,759	284,394	3,531,484
Transfer between funds	(54,157)	74,157	(20,000)	-
Balance at 31 December 2021	2,840,174	426,916	264,394	3,531,484
Surplus / (deficit) from statement of comprehensive income	83,988	17,071	(17,772)	83,287
Unrealised loss on investments	(269,526)	(123,337)	(36,198)	(429,061)
	2,654,636	320,650	210,424	3,185,710
Transfer between funds	54,688	(54,688)	-	-
Balance at 31 December 2022	2,709,324	265,962	210,424	3,185,710

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF FINANCIAL POSITION
ENDED 31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible fixed assets	16		2,219,597		2,216,452
Investments	17		1,811,087		2,299,428
			4,030,684		4,515,880
Current assets					
Trade and other debtors	18	210,165		100,990	
Cash and cash equivalents	27	169,664		160,920	
		379,829		261,910	
Creditors: amounts falling due within one year	19	(52,313)		(50,568)	
Net current assets			327,516		211,342
Total assets less current liabilities			4,358,200		4,727,222
Creditors: amounts falling due after more than one year	20		(1,172,490)		(1,195,738)
Total net assets			3,185,710		3,531,484

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF FINANCIAL POSITION (continued)
AS AT YEAR ENDED 31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
Reserves	24				
Revenue reserve			2,709,324		2,840,174
Designated reserves			265,962		426,916
Restricted reserves			210,424		264,394
			3,185,710		3,351,484

These financial statements were approved by the trustees and authorised for issue on 17 May 2023.

On behalf of the trustees:

David Simmons
.....
Cllr D H S Simmons, Chairman

.....
Mr J N Coulter, Vice Chairman

Carolyn Flanagan
.....
Mrs C Flanagan, Clerk to the Trustees

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022	2021
		£	£
Net cash generated from operating activities	26	(182,446)	(24,811)
Cash flow from investing activities			
Dividends, interest and rents from investments		48,091	38,271
Purchase of tangible fixed assets		(16,535)	(46,780)
Proceeds from sales of investments		173,000	392,457
Purchase of investments		(11,955)	(359,587)
		192,601	24,361
Cash flow from financing activities			
Repayment of borrowings		(1,411)	(1,287)
		(1,411)	(1,287)
Net change in cash and cash equivalents		(8,744)	(1,737)
Cash and cash equivalents at beginning of the year		160,920	162,657
Cash and cash equivalents at end of the year	27	169,664	160,920

1. Accounting policies

1.1 Basis of preparation

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. The departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015 and Charities Act 2011.

Faversham Municipal Charities 2010 constitutes a public benefit entity as defined by FRS 102.

1.2 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution has been made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent assed and disclosed if material.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Turnover represents rental income (net of void losses), other income receivable from properties owned by the Association and amortisation of Social Housing Grant (SHG) under the accrual method.

1. Accounting policies (continued)

1.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measure reliably. Expenditure is classified by activity. The costs of each activity are made up of the total direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support cost which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include projects managements carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred to the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as commitment, but not accrued as expenditure.

1.4 Tangible fixed assets and depreciation

A review for impairment of a fixed assets is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairments. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimate residual value, over their expected useful lives on the following bases:

Freehold Property	2%
Fixtures and fittings	4%
Roofs	80 years
Bathrooms	25 years
Kitchens	25 years
Boilers	20 years

1. Accounting policies (continued)

Freehold land is not subject to depreciation

Housing properties are stated at their historical cost less depreciation and any provision for impairment. Costs include the cost of acquisition, construction and improvement. Improvements are works which results in an enhancement of the economic benefits of the asset to the Charity arising from an increase in the net rental income over the life of the asset, such as the reduction of future maintenance costs, or which results in the significant extension of the useful economic life of the property.

Depreciation is charged so as to write down the cost or valuation (net of Housing Association Grant, and other capital grants) of the freehold housing properties and major components on a straight-line basis over their expected useful economic lives. Major components are treated as separable assets and depreciated over their expected useful economic lives or he lives of the structure to which they relate, if shorter.

The estimated useful economic life for each component has been based on the Charity's current experience of component replacement. The Charity will continue to monitor and review the useful economic life of each component and make revisions where sustained material changes occur.

Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any write down would be charged to the operating surplus.

1.5 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/ (losses) on investments on the Statement of financial activities.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measures reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.7 Debtors

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

1.8 Cash at bank and in hand

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

1. Accounting policies (continued)

1.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.11 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

1.12 Fund accounting

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

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors of which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

1.13 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are discussed below.

1. Accounting policies (continued)

Critical areas of judgement:

Depreciation and residual values
The trustees have reviewed the asset lives and residual values of all fixed asset classes and have concluded that the asset lives and residual values are appropriate.

1.14 Social Housing Grant

Social Housing Grant (SHG) is used to reduce the capital costs of housing property. SHG is initially recognised at fair value as a long-term liability, specifically as deferred grant income, and released through the income and expenditure as turnover income over the life of the structure of the housing properties in accordance with the accrual method applicable to social housing landlords holding housing properties at cost.

1.15 Cyclical Repairs and Maintenance

The Charity has established a regular programme of cyclical repairs and maintenance. Costs are charged to the Revenue account in the year in which they are incurred.

1.16 Extraordinary Repairs

Costs of Extraordinary Repairs unless representing improvements to the properties, are charged to the Revenue account in the year in which they are incurred. The Extraordinary Repairs Reserve represents the amounts set aside to carry out major repairs on Housing properties.

2. Income from donations and legacies

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	144	404	548	649
Grants	-	-	-	20,000
	144	404	548	20,649
Total 2021	*20,000*	*649*	*20,649*	

3. Turnover from social housing lettings

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Weekly maintenance contributions	-	351,067	351,067	326,760
Less: losses from voids		(52,805)	(52,805)	(31,239)
		298,262	298,262	295,521
Social housing grant utilised in year	-	21,713	21,713	21,713
	-	319,975	319,975	317,234
Total 2021	-	*317,234*	*317,234*	

Accommodation in management

	2022	2021
Housing for older people in need	69	69

4. Investment income

	Restricted funds 2022	Unrestricted funds 2022	Total funds 2022	Total funds 2021
	£	£	£	£
Listed investments	5,630	41,918	47,548	38,229
Investment properties	-	17	17	17
Cash	173	354	526	25
	5,802	42,289	48,091	38,271
Total 2021	*4,530*	*33,741*	*38,271*	

5. Investment management costs

	Restricted funds 2022	Unrestricted funds 2022	Total funds 2022	Total funds 2021
	£	£	£	£
Investment management fees	1,168	8,696	9,864	1,755
	1,168	8,696	9,864	1,755
Total 2021	*208*	*1,547*	*1,755*	

6. Analysis of grants

	Grants to Institutions 2022	Grants to Individuals 2022	Total 2022	Total 2021
	£	£	£	£
Almshouse & Chapel Branch	-	-	-	-
Relief in Need Branch	-	-	-	410
Education Branch	-	3,071	3,071	949
Faversham Heritage Fund & Henry Hatch Charity	22,000	-	22,000	10,000
Recreation Branch	-	-	-	-
	22,000	3,071	25,071	11,359
Total 2021	*10,000*	*1,359*	*11,359*	

7. Analysis of expenditure on charitable activities

	Restricted funds 2022	Unrestricted funds 2022	Total funds 2022	Total funds 2021
	£	£	£	£
Almshouse & Chapel Branch	-	338,205	338,205	303,870
Relief in Need Branch	-	282	282	619
Education Branch	-	3,346	3,346	1,159
Faversham Heritage Fund & Henry Hatch Charity	22,292	-	22,292	10,213
Recreation Branch	-	115	115	102
	22,292	341,948	364,240	315,963
Total 2021	*10,213*	*305,750*	*315,963*	

8. Direct costs

	Almshouse & Chapel Branch	Relief in Need Branch	Education Branch	Recreation Branch	Heritage and Hatch Charity	Total 2022	Total 2021
	£	£	£	£	£	£	£
Rates	244	-	-	-	-	244	223
Insurance	23,158	-	-	-	-	23,158	21,946
Light & heat	24,392	-	-	-	-	24,392	8,962
Building repairs	112,124	-	-	-	-	112,124	110,098
Equipment repairs	13,891	-	-	-	-	13,891	11,971
Grounds upkeep	18,153	-	-	-	-	18,153	14,687
Wages and salaries	44,866	-	-	-	-	44,866	45,514
National insurance	657	-	-	-	-	657	(207)
Pension cost	527	-	-	-	-	527	709
Depreciation	13,390	-	-	-	-	13,390	12,069
	251,402	-	-	-	-	251,402	225,909
Total 2021	*225,909*	-	-	-	-	*225,909*	

9. Support costs

	Almshouse & Chapel Branch	Relief in Need Branch	Education Branch	Recreation Branch	Heritage and Hatch Charity	Total 2022	Total 2021
	£	£	£	£	£	£	£
Office	14,185	282	275	115	292	15,149	14,298
Wages and salaries	51,731	-	-	-	-	51,731	47,377
National insurance	2,951	-	-	-	-	2,951	(983)
Pension cost	1,441	-	-	-	-	1,441	1,401
	70,308	282	275	115	292	71,272	62,093
Total 2021	*61,359*	*209*	*210*	*102*	*213*	*62,093*	

10. Governance costs

	Restricted funds 2022	Unrestricted funds 2022	Total 2022	Total 2021
	£	£	£	£
Auditor's remuneration	533	8,587	9,120	9,000
Legal & professional fees	369	2,751	3,120	7,638
Trustee indemnity insurance	89	660	749	665
	991	11,998	12,989	17,303
Total 2021	*1,516*	*15,787*	*17,303*	

During the year ended 31 December 2022, the charity incurred the following governance costs:

£10,319 (*2021-£13,219*) included within the table above in respect of the Almshouse & Chapel Branch.
£706 (*2021-£1,079*) included within the table above in respect of the Relief in Need Branch.
£808 (*2021-£1,237*) included within the table above in respect of the Education Branch.
£165 (*2021-£252*) included within the table above in respect of the Recreation Branch.
£991 (*2021-£1,516*) included within the table above in respect of the Faversham Heritage Fund and Henry Hatch.

11. Analysis of expenditure by expenditure type

	Staff costs 2022	Depreciation 2022	Other costs 2022	Total 2022	Total 2021
	£	£	£	£	£
Investment management fees	-	-	9,864	9,864	1,755
Costs of raising funds	-	-	9,864	9,864	1,755
Almshouse & Chapel Branch	102,173	13,390	222,642	338,205	303,870
Relief in Need Branch	-	-	282	282	619
Education Branch	-	-	3,346	3,346	1,159
Faversham Heritage Fund & Henry Hatch Charity	-	-	22,292	22,292	10,213
Recreation Branch	-	-	115	115	102
Charitable activities	102,173	13,390	248,677	364,240	315,963
Expenditure on governance	-	-	12,989	12,989	17,303
	102,173	13,390	271,530	387,093	335,021
Total 2021	93,748	12,069	229,204	335,021	

12. Net income/(expenditure)

	2022	2021
	£	£
Operating surplus is stated after charging:		
Auditor's remuneration	9,120	9,000
Depreciation	13,390	12,069

No trustees received any remuneration during the year (2021 - £nil).
No trustees received any benefits in kind during the year (2021 - £nil).
No trustees received any reimbursement of expenses during the year (2021 - £nil).

The Clerk to the Trustees received emoluments of £53,172 (2021 - £48,778).

13. Staff costs

Staff costs for the year amounted to:

	2022	2021
	£	£
Wages and salaries	96,597	92,891
Social security costs	3,608	(1,253)
Pension costs	1,968	2,110
	102,173	93,748

The average number of persons employed by the charity during the year was as follows:

	2022	2021
	No.	No.
Scheme Manager (Part time)	2	2
Caretaker and cleaner	2	2
Administration	2	2
	6	6

No employee received remuneration above £60,000 (2021 – none).

14. Interest payable

	2022	2021
	£	£
On loans wholly or partly repayable in more than 5 years	16,495	16,602

15. Taxation

Factors affecting tax charge for the year

The Housing Association is a Registered Charity and is therefore exempt from liability to taxation on its income and capital gains.

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

16. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2022	2,967,086	253,902	3,220,988
Additions	-	16,535	16,535
At 31 December 2022	2,967,086	270,437	3,237,523
Depreciation			
At 1 January 2022	954,738	49,798	1,004,536
Charge for the year	2,998	10,392	13,390
At 31 December 2021	957,736	60,190	1,017,926
Net book value			
At 31 December 2022	2,009,350	210,247	2,219,597
At 31 December 2021	2,012,348	204,104	2,216,452

The above details relate to improvements and developments of the properties which were transferred on 1 January 2013 from Faversham United Municipal Charities and there are no records of the original cost of them.

They were funded by Housing Corporation Grants totalling £1,737,009.91 and Residual Mortgage Loans of £57,523 at an annual interest rate of 14% per annum over 30 years from 1 November 1982, and £190,465.24 at an annual interest rate of 9.375% per annum over 60 years from 1 October 1989. The balance was provided from the Charity's resources.

17. Investments

	2022	2021
	£	£
The market value of investments as at 31 December 2022 is as follows:		
IPS Growth Portfolio – 128,839.04 units (2021 – 138,273.15)	257,420	297,702
IPS High Yield Income Portfolio – 1,497,856.35 units (2021 - 1,487,027.72)	1,393,006	1,659,523
Charities Investment Fund ERF Scheme – 728.99 accumulation units (2021 – 815)	160,661	197,371
Charities Investment Fund HRF Scheme - 0 accumulation units (2021 – 598.05)	-	144,832
	1,811,087	2,299,428
The cost of investments as at 31 December 2022 is as follows:		
IPS Growth Portfolio – 128,839.04 units (2021 - 138,273.15)	177,929	190,958
IPS High Yield Income Portfolio – 1,497,856.35 units (2021 - 1,487,027.72)	1,628,247	1,616,293
Charities Investment Fund ERF Scheme – 728.99 accumulation units (2021 – 815)	57,350	64,117
Charities Investment Fund HRF Scheme – 0 accumulation units (2021 – 598.05)	-	51,439
	1,863,527	1,922,806

All investments held at 31 December 2022 are UK listed investments in managed funds.

Market value at 1 January 2022	2,299,248	2,239,226
Additions	11,955	359,587
Disposals	(173,000)	(392,457)
Realised surplus	101,766	105,829
Unrealised surplus / (deficit)	(429,061)	(12,757)
Market value at 31 December 2022	1,811,088	2,299,428

18. Trade and other debtors

	2022	2021
	£	£
Social housing rent arrears	1,710	168
Prepayments and accrued income	208,455	100,822
	210,165	100,990

19. Creditors: amounts falling due within one year

	2022	2021
	£	£
Other loans	1,411	1,287
Accruals and deferred income	29,189	27,568
Deferred grant	21,713	21,713
	52,313	50,568

20. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Deferred grant	998,768	1,020,481
Other loans	173,722	175,257
	1,172,490	1,195,738

21. Deferred income

	2022	2021
	£	£
Balance brought forward	2,857	790
Released in year	(2,857)	(790)
Deferred during the year	2,558	2,857
Balance carried forward	2,558	2,857

22. Deferred grants

	2022	2021
	£	£
Balance brought forward	1,042,194	1,063,907
Released in year	(21,713)	(21,713)
Balance carried forward	1,020,481	1,042,194

The deferred grant represents a capital grant received in 1980-84, 1988-91, 2003 and 2004-05 for the modernisation of the almshouses, building of new almshouses, replacing gas boilers and windows. The grant is being released over the estimated useful life of the property in association with FRS102.

23. Loans

	2022	2021
Amounts falling due within one year	1,411	1,287
Amounts falling due 1-2 years	1,550	1,400
Amounts falling due 2-5 years	4,750	4,300
Amounts falling due after more than 5 years	167,422	169,557
	175,133	176,544

Loans are secured over the assets concerned.

24. Statement of funds

Statement of funds – current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
Designated funds						
Cyclical maintenance fund	57,882	-	(50,123)	70,694	-	78,453
Emergency repair fund	197,371	-	(27,440)	7,440	(16,711)	160,660
Housing redevelopment fund	146,663	-	-	(132,822)	(11,992)	1,849
Roof repair fund	25,000	-	-	-	-	25,000
	426,916	-	(77,563)	(54,688)	(28,703)	265,962
General funds						
General funds	2,832,264	352,821	(277,568)	(13,707)	(203,341)	2,690,469
Education branch	1,525	4,734	(5,107)	32,948	(28,844)	5,256
Recreation branch	2,195	965	(474)	6,737	(5,882)	3,541
Relief in need branch	4,190	4,148	(1,819)	28,710	(25,171)	10,058
	3,267,090	362,668	(362,531)	-	(291,941)	2,975,286
Restricted funds						
Organ maintenance fund	3,518	144	(112)	-	-	3,550
Faversham Heritage Fund and Henry Hatch Charity	260,876	5,802	(24,451)	-	(35,353)	206,874
	264,394	5,946	(24,563)	-	(35,353)	210,424
Total of funds	3,531,484	368,614	(387,094)	-	(327,294)	3,185,710

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

24. Statement of funds (continued)

Statement of funds – prior year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Designated funds						
Cyclical maintenance fund	58,926	-	(25,640)	24,596	-	57,882
Emergency repair fund	168,048	-	(54,561)	54,561	29,323	197,371
Housing redevelopment fund	125,146	-	-	-	21,517	146,663
Roof repair fund	25,000	-	-	-	-	25,000
Chapel heating fund	5,000	-	-	(5,000)	-	-
	382,120	-	(80,201)	74,157	50,840	426,916
General funds						
General funds	2,743,336	343,936	(238,082)	(45,685)	28,759	2,832,264
Education branch	396	3,694	(2,565)	(4,080)	4,080	1,525
Recreation branch	1,831	753	(389)	(832)	832	2,195
Relief in need branch	2,795	3,241	(1,846)	(3,560)	3,560	4,190
	3,130,478	351,624	(323,084)	20,000	88,071	3,267,090
Restricted funds						
Organ maintenance fund	3,518	-	-	-	-	3,518
Chapel Heating	-	20,000	-	(20,000)	-	-
Faversham Heritage Fund and Henry Hatch Charity	263,283	4,530	(11,937)	-	5,000	260,876
	266,801	24,530	(11,937)	(20,000)	5,000	264,394
Total of funds	3,397,279	376,154	(335,021)	-	93,072	3,531,484

24. Statement of funds (continued)

Summary of funds – current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
Designated funds	426,916	-	(77,562)	(54,688)	(28,703)	265,962
General funds	2,840,172	362,668	(284,967)	54,688	(263,239)	2,709,322
	3,267,088	362,668	(362,530)	-	(291,942)	2,975,284
Restricted funds	264,394	5,946	(24,563)	-	(35,353)	210,425
	3,531,481	368,614	(387,093)	-	(327,295)	3,185,709

Summary of funds – prior year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Designated funds	382,120	-	(80,201)	74,157	50,840	426,916
General funds	2,748,358	351,624	(242,883)	(54,157)	37,231	2,840,174
	3,130,478	351,624	(323,084)	20.000	88,071	3,267,089
Restricted funds	266,801	24,530	(11,937)	(20,000)	5,000	264,394
	3,397,279	376,154	(335,021)	-	93,072	3,531,484

25. Analysis of net assets between funds

Analysis of net assets between funds – current year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	2,219,597	2,219,597
Fixed asset investments	195,411	1,615,677	1,811,087
Current assets	15,014	364,815	379,829
Creditors due within one year	-	(52,313)	(52,313)
Creditors due in more than one year	-	(1,172,490)	(1,172,490)
	210,425	2,975,285	3,185,710

Analysis of net assets between funds – prior year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	2,216,452	2,216,452
Fixed asset investments	231,735	2,067,693	2,299,428
Current assets	32,659	229,251	261,910
Creditors due within one year	-	(50,568)	(50,568)
Creditors due in more than one year	-	(1,195,738)	(1,195,738)
	264,394	3,267,090	3,531,484

26. Reconciliation in net movement in funds to net cash flow from operating activities

	2022	2021
	£	£
Net income/(expenditure) for the year	(345,774)	134,205
Adjustments for:		
Depreciation charges	13,390	12,069
(Gains)/losses on investments	327,295	(93,072)
Dividends, interest and rents from investments	(48,091)	(38,271)
Loss on the sale of fixed assets	-	-
(Increase) / decrease in debtors	(109,175)	(13,999)
(Decrease) / increase in creditors	(20,091)	(25,743)
Net cash used (in)/by operating activities	(182,446)	(24,811)

Analysis of net debt

	At 1 January 2022	Cash flows	At 31 December 2022
	£	£	£
Cash at bank and in hand	160,920	8,744	169,664
Debt due after 1 year	(175,257)	1,535	(173,722)
Debt due within 1 year	(1,287)	(124)	(1,411)
	(15,624)	10,155	(5,469)

27. Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand	169,664	160,920

28. Grant commitments

At the 31 December 2022 the charity had commitments as follows:

	2022	2021
	£	£
Within one year	1,100	23,600
Between one and two years	-	-
	1,100	23,600

29. Pension commitments

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 £1,968 (2021 - £2,110). Contributions totalling £nil (2021 - £nil) were payable to the fund at the balance sheet date.

30. Related party transactions

Cllr Simmons and Cllr Jackson are members of Swale Borough Council. Cllr Barker and Cllrs Jackson, Martin and Reynolds are members of Faversham Town Council. During the year lease payments were received totalling £1 (2021 - £1) from Swale Borough Council for a recreation park held by the charity. This is in respect of a long lease entered in 2010. The Councillors cannot use their position to their advantage. No monies were outstanding at the year end.

31. Leases arrangements

At the 31 December 2022 the charity had future incoming resources from non-cancellable lease agreements as follows:

	2022	2021
	£	£
Within one year	1	1
Between one and two years	1	1
Between two and five years	3	3
More than five years	34	33
	37	38

THE FAVERSHAM MUNICIPAL CHARITIES 2010

England & Wales - Charity number 1140259

Accounts

Charity number 1140259

THE FAVERSHAM MUNICIPAL CHARITIES 2010

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

THE FAVERSHAM MUNICIPAL CHARITIES 2010

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THE FAVERSHAM MUNICIPAL CHARITIES 2010

LEGAL AND ADMINISTRATIVE DETAILS

Trustees	Cllr D H S Simmons, Chairman Mr J Coulter, Vice Chairman Mr T Abram (Term as council appointee expired 13 April 2021) Cllr K M Barker (Appointed 13 January 2021) Mr J W E Blackford (Retired 26 November 2021) Mrs C Davis Mr S A Fisher (Appointed 13 April 2021) Mr M S Gates (Resigned as council appointee 27 February 2022, Appointed as co-opted Trustee 28 February 2022) Mr T Gates (Term as council appointee expired 31 December 2021) Ms J S Hennessey Cllr C H Jackson (Appointed 28 February 2022) Cllr T J Martin (Appointed 28 February 2022) Mr A D Mussett (Retired 16 October 2021) Mrs D Neame Cllr A Reynolds (Appointed 1 January 2022) Mr A Shepherd Mr D G Wade (Term as council appointee expired 13 January 2021, Appointed as co-opted Trustee 14 January 2021) Mrs A J Walker Dr E J Wilcox (Resigned as council appointee 27 February 2022, Appointed as co-opted Trustee 28 February 2022)
Charity registration number	1140259
Registered office	5 The Almshouses South Road Faversham Kent ME13 7LU
Auditors	Magee Gammon Corporate Limited Henwood House Henwood Ashford Kent TN24 8DH
Bankers	National Westminster Bank Faversham Branch 13 Market Place Faversham Kent ME13 7AF Schroders Personal Wealth 25 Gresham Street London EC2V 7HN
Solicitors	Furley Page 39 St Margaret's Street Canterbury CT1 2TX

THE FAVERSHAM MUNICIPAL CHARITIES 2010

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their annual report together with the audited financial statements of the charity Faversham Municipal Charities 2010 (the Charity) for the year 1 January 2021 to 31 December 2021.

The members of the board of trustees who have served during the year were:

Cllr D H S Simmons, Chairman
Mr J Coulter, Vice Chairman
Mr T Abram (Term as council appointee expired 13 April 2021)
Cllr K M Barker (Appointed 13 January 2021)
Mr J W E Blackford (Retired 26 November 2021)
Mrs C Davis
Mr S A Fisher (Appointed 13 April 2021)
Mr M S Gates (Resigned as council appointee 27 February 2022, Appointed as co-opted Trustee 28 February 2022)
Mr T Gates (Term as council appointee expired 31 December 2021)
Ms J Hennessey
Mr A D Mussett (Retired 16 October 2021)
Mrs D Neame
Mr A Shepherd
Mr D G Wade (Term as council appointee expired 13 January 2021, Appointed as a co-opted Trustee 14 January 2021)
Mrs A J Walker
Dr E J Wilcox

1. STRUCTURE, GOVERNANCE AND MANAGEMENT

1.1 Constitution

Faversham Municipal Charities exists under its governing instrument, a Charity Commission scheme of 11 December 2012, and, in relation to the Faversham Heritage Fund and Henry Hatch Charity, a Charity Commission scheme of 29 November 2012. Faversham Municipal Charities is an unincorporated trustee body. Its area of benefit is the town of Faversham as at 2012.

The Charity's principal objectives are relief of poverty by provision of almshouses; advancement of education by provision of grants and bursaries to organisations or individuals; relief of poverty by the making of grants and payments to organisations or individuals; and provision of a recreation ground. The principal objectives of the heritage charity are preservation and improvement of historic buildings and townscape and landscape.

There have been no changes in the objectives since the last annual report.

1.2 Method of appointment or election of trustees

Under the scheme of 11 December 2012, there should be five nominated trustees appointed for a four-year term by Faversham Town Council at a meeting of the council and ten co-opted trustees appointed for a five-year term by the trustees at a special meeting. The trustees are trustees of the Faversham Heritage Fund and Henry Hatch Charity by virtue of its scheme of 29 November 2012.

In recent years, co-options of new co-opted trustees (other than co-options of a trustee who was immediately previously a council appointee) have mostly been by election from two or three candidates, who are asked to provide a CV. In appointing a co-opted trustee, the trustees are mindful of the types of professional and volunteer experience that would assist the Charity's work.

New trustees are given the Charity's governing instrument and latest accounts and a trustee declaration and are invited to meet the Clerk and view the Charity's almshouses site.

1.3 Organisational structure and decision making

Management of the Charity is the responsibility of the trustees.

The board of trustees has overall responsibility for achieving the Charity's aims and objectives.

The trustees meet quarterly to review the Charity's strategy and performance and to set objectives, operating plans and budgets. A General Purposes Committee deals with day-to-day running of the Charity, meeting in most months between quarterly meetings. The Appointments and Welfare Committee meets as needed to consider matters relating to almshouse residency. Working groups are occasionally appointed for particular purposes.

1.4 Risk management

The trustees have assessed the major risks to which the Charity is exposed, in particular those related to operations and finances of the Charity and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

1.5 Trustees' indemnities

Charity Protection Policy is in place with a £1 million limit of indemnity, which meets Charity Commission requirements.

2. OBJECTIVES AND ACTIVITIES

2.1 Policies and objectives

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission and Homes England relating to public benefit.

The two Charities administered by the Trustees are set out below with general notes on the operations and have all been disbursed in accordance with their respective schemes. Exact financial details are set out in the final accounts. The Trustees have reviewed the operation of these charities and are satisfied that they provide funds and grants for purposes that are charitable and of public benefit.

The Faversham Municipal Charities 2010 (registered charity 1140259) comprises four branches with the following objectives:

Almshouse and Chapel Branch
For relief of poverty by provision of almshouse accommodation for people resident in the area of benefit for not less than five years preceding appointment and for such charitable purposes for the benefit of the residents as the trustees decide.

Education Branch
For the advancement of education by the provision of grants and bursaries to organisations or individual's resident in the area of benefit and pupils or former pupils of Queen Elizabeth's Grammar School.

Relief in Need Branch
For relief of poverty by provision of grants and payments to organisations or individuals resident in the area of benefit.

Recreation Branch
For provision of a recreation ground in the area of benefit for the enjoyment of the public.

and *The Faversham Heritage Fund and Henry Hatch Charity (linked charity 1140259-1),* whose objects are preservation and improvement of historic buildings, the distinctive character of the townscape, landscape and the creek and preservation of historic artefacts, regalia and ceremonials in the area of benefit.

2.2 Grant-making policies

Grants are made to applicants in accordance with the provisions of the trust schemes.

3. ACHIEVEMENTS AND PERFORMANCE

3.1 Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details about adoption of the going concern basis are in the Accounting Policies.

3.2 Review of activities

Cllr David Simmons was re-elected Chairman for a fifth year at the Charity's AGM in January 2021.

Two nominated Trustees were appointed by Faversham Town Council for four-year terms. Cllr Kris Barker was appointed in January (replacing Mr Geoff Wade, who was subsequently made a co-opted Trustee) and Mr Stephen Fisher in April (replacing Mr Trevor Abram).

Mrs Cindy Davis was reappointed as a co-opted Trustee in January, Cllr David Simmons in April and Mrs Anita Walker in July.

Mr Andrew Mussett retired as a co-opted trustee in October after 20 years' service with the Charity. Mr John Blackford retired as a co-opted trustee in November after 25 years' service with the Charity.

Mr Tom Gates's term of office as a Faversham Town Council-nominated Trustee ended on 31 December after 18 years' service with the Charity. He has been replaced by Cllr Alison Reynolds.

Mrs Diana Allen retired as Scheme Manager in September after 12 years' service with the Charity.

2021 was again over-shadowed by the COVID-19 pandemic, which has to some degree affected almost every single aspect of the work of the Charity.

In June 2020, the Charity Commission confirmed that Municipal Charities of Faversham CIO had been successfully registered, following a process that began in 2017. There are still some outstanding steps to be completed, which mainly relate to the mechanics of the transfer. There is also some work to do to ensure we are compliant with the requirements of Homes England.

The CIO existed during the year as a legal entity without assets, income or expenditure. It is intended that the CIO should become sole corporate trustee of Faversham Municipal Charities 2010 after the satisfactory completion of processes with Homes England and the Charity Commission.

During the year work continued to develop policy documents, to assist with the management of the Charity.

The Trustees have reviewed the operation of FMC 2010 and are satisfied that they have complied with their duty to have due regard to public benefit guidance when exercising their charitable purposes.

The Trustees, at their April meeting, reviewed reserve funds of the four branches and the heritage charity and were satisfied that income had largely either been used or was being held ready for grant-recipients' projects to begin, with no undue accumulation.

THE FAVERSHAM MUNICIPAL CHARITIES 2010

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

This report provides highlights of the year. Grant-giving is reported for each branch.

Almshouse and Chapel Branch

Provision of Almshouses
The branch provides, at its site in South Road, Faversham, 69 almshouse units for about 85 beneficiaries, together with a chapel, a residents' lounge, a laundry room and a guest bedroom.

The work of this branch is primarily supported by investment income and by weekly maintenance contributions from almshouse residents.

Trustees are working with architects and advisers on a remodelling making our bedsits into one-bedroom flats. This is also referred to at item 6 (Future Developments).

Trustees have continued a programme, initiated in 2018, of improvements to roof voids in the main almshouses block, including installation of LED lighting and emergency lighting, repositioning of pipes and cabling, better insulation, upgrading fire doors, and improved access for contractors.

The Charity continued its programme of ongoing maintenance, repair and refurbishment during the year. Repair spending was £24,491 for general everyday issues, and Cyclical Maintenance Fund spending was £35,424, which included major refurbishment of some flats.

A quinquennial inspection and a fire-risk assessment, which had been delayed due to the pandemic, took place during the year.

Additional lighting has been installed in some areas of the site which were very dark at night, to improve security.

The Charity was delighted to have been awarded a Certificate of Excellence Award from South and South East in Bloom, which was largely due to the hard work of the Residents who tended and looked after plants in the grounds.

The Charity's Appointments and Welfare Committee continues to monitor and refine processes for selecting almshouse residents to ensure that these processes are transparent and ensure appropriate appointments in line with the Charity's scheme. Some flats have been kept void during the year to ensure that residents are able to stay on the site whilst their bedsit is converted to a one-bedroom flat as part of a remodelling of the main block, referred to at item 6 (Future Developments).

Benefits to residents
The Almshouses provides good accommodation and a supportive environment for about 85 beneficiaries. The Charity works with various public agencies in admitting and supporting some residents with particular problems, so providing a wider benefit to society. The importance of the Almshouses' service to the Faversham community has been increased by major housing associations' closure of two sites of sheltered housing for the elderly in the town in recent years.

Due to the COVID-19 pandemic there were no community activities at the Almshouses until June 2021.

Chapel
Trustees reappointed as Chaplain the Rev Simon Rowlands, Priest-in-charge at St Mary of Charity. Monthly services resumed in April and were held in line with government public health guidelines. The Chapel remained open for private prayer throughout the year.

There were only two concerts held during the year, due to the COVID-19 pandemic.

Education Branch

Trustees provided, for pupils of Queen Elizabeth's Grammar School, three prizes of £80 each for academic excellence and three £80 awards to support students in continuing education.

In July, the Trustees granted £549 to a student to help towards the cost of a new computer.

A previous pledge of £1,000 to Cinque Ports Rowing towards tools and workshop equipment for the Faversham Community Boat Build, subject to satisfactory applications, was reduced in July to £500.

Pledges totalling £1,100 were made, one to Abbey School towards the cost of an all-weather surface with both netball and tennis court markings and the other to a student towards tuition fees.

Relief in Need Branch

A grant of £410 was given to a resident to pay for the cost of a door entry system.

In April, the Trustees agreed to set aside £3,101 towards the remodelling project or supporting residents moved by the work, referred to in item 6 (Future Developments).

Trustees have remained alert for cases in which Relief in Need fund income, which has not always been in demand in the past, may legitimately be used in the almshouses and education areas using powers given in the 2012 scheme.

Recreation Branch

The Charity owns the freehold of the 20-acre Faversham Recreation Ground, operated by Swale Borough Council as lessee, and holds modest funds for recreation branch purposes.

Trustees have been kept informed about progress on Swale Council's £1.9m heritage-led refurbishment and improvement of the Recreation Ground, which is aided by a £1.6m Lottery award.

Trustees continue to seek to ensure that the Rec serves for the benefit and enjoyment of the public. Trustees are mindful that the governing instrument by which they are bound specifically requires that the Rec be used as a public recreation ground.

The Faversham Heritage Fund and Henry Hatch Charity

Trustees gave a grant of £10,000 in August to Faversham Town Council towards its Magna Carta Legacy Project.

Funds of £22,000 towards work required for Creekside footpaths remained set aside during the year and have been paid over since the year-end.

3.3 Investment policy and performance

Following the financial volatility of 2020, the markets rallied slightly in 2021 and the portfolio finished the year £60,202 above the 1 January 2021 figure.

Trustees monitor investments, and a Schroders representative attends a full trustee meeting twice a year to give updates and answer questions. COIF is used to hold some funds for particular purposes.

4. FINANCIAL REVIEW

4.1 Reserves policy

In order to fund the maintenance and repair of the almshouse property from its own resources, the Charity holds cash and investments to generate income. If required, all opportunities for grants from statutory authorities and other funders will be accessed. Cyclical and extraordinary repairs are funded annually out of current-year income from the weekly maintenance contributions from residents of the almshouses, together with improvements in accommodation as dwellings become vacant.

4.2 Principal funding

The gifts of past benefactors, mainly in wills, form the basis of the present charities and enable the trustees to support Faversham today. Money donated in this way is not spent but invested so that income may be available for present and future generations.

4.3 Material investments policy

Schroders Personal Wealth manages the charities' main investments, seeking a balanced return through a diversified portfolio of collective instruments.

5. VALUE FOR MONEY (VFM)

This report sets out our VFM performance looking back over 2021 and provides our VFM targets going forward. It aims to provide the reader with a transparent account of how we are striving to make the most of the resources at our disposal in the pursuit of our strategic objectives. We positively encourage feedback and challenge from our customers and other stakeholders on our VFM performance. The report is structured to meet the requirements of the RSH's VFM standard with which we must comply as a Registered Provider.

Metric	RSH metrics	2021	2022 Target	Global accounts median 2020 Less than 2500 units
Reinvestment %	Yes	2%	5%	5.6%
New supply delivered %	Yes	0%	0%	
New social housing supply	Yes	0%	0%	0.70%
New non- social housing supply	Yes	0%	0%	0.00%
Gearing % – debt as a percentage of assets	Yes	1%	1%	34.50%
EBITDA MRI Interest Cover %	Yes	8%	10%	199%
Headline social housing cost per unit	Yes	£5,273	£5,000	£4,600
Operating margin % - social housing	Yes	9.2%	8%	23.90%
Operating margin % - overall	Yes	27.8%	8%	20.30%
Return on capital employed (ROCE) %	Yes	2.8%	1%	3.0%

In a very difficult year, our staff have performed extremely well in continuing, and improving, the provision of social housing. As a charity, we would expect our costs to be greater, and our operating margins and return on capital employed to be lower, than the global metrics, to meet our charitable aims. The charity uses its resources to maintain the properties to a high standard, and to make improvements where possible, rather than acquiring new units; this strategy is unlikely to change in

the foreseeable future, as a significant improvement programme is planned to commence in the current year.

6. FUTURE DEVELOPMENTS

A full application for two-storey extensions converting our bedsits into one-bedroom flats and increasing the number of units was approved by the Council in December 2021. The Almshouse Consortium Ltd is helping with writing a grant application to seek funding for the project from Homes England. Dependent on obtaining sufficient grant funding, which remains a major issue, it is hoped that building work will commence in autumn 2022.

7. EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Employees are kept informed of all matters which may directly affect them, and also on the day-to-day running of the charity. In particular, regular consultations take place specifically regarding residents and their welfare, and on matters identified which may require an update of policy. All employee issues are discussed with Trustees, and support and/or appropriate action taken without delay.

In accordance with the requirement for equal opportunities, the Charity has established fair employment practices in recruitment, selection etc of disabled staff.

Staff remuneration is reviewed annually, and any increases are based upon inflation figures. When available, more specific comparisons are made with other almshouse charities of a similar size and operation.

8. TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees 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 the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions and 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 Statement of Recommended Practice Accounting by Registered Social Housing Providers 2014 and the Accounting Direction for Private Registered Providers of Social Housing 2015 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE FAVERSHAM MUNICIPAL CHARITIES 2010

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

This report was approved by the trustees, on ..... 18 May ..... 2022 and signed on their behalf by:

.....
Cllr D H S Simmons, Chairman

.....
Mr J N Coulter, Vice Chairman

.....
Mrs C Flanagan, Clerk to the Trustees

THE FAVERSHAM MUNICIPAL CHARITIES 2010

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FAVERSHAM MUNICIPAL CHARITIES 2010

Opinion

We have audited the financial statements of Faversham Municipal Charities 2010 (the 'charity') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the statement of changes in equity, the statement of financial position, the statement of cash flows and the related notes. 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).

The financial statements have been prepared in accordance with The Accounting Direction for Private Registered Providers of Social Housing from April 2015 and the Statement of Recommended Practice (SORP) Accounting by registered social housing providers (updated 2018).

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

In our opinion the financial statements:

- give a true and fair view of the state of the charity'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 Charities Act 2011, the Housing and Regeneration Act 2008 and The Accounting Direction for Social Housing in England from April 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FAVERSHAM MUNICIPAL CHARITIES 2010

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

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 trustees

As explained more fully in the statement of trustees' responsibilities set out on page 8, the trustees 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FAVERSHAM MUNICIPAL CHARITIES 2010

Auditors' 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 Auditors' 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:

Capability of the audit in detecting irregularities including fraud

Based on our understanding of the Charity, we have considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011. We evaluated management incentives and opportunities for fraudulent manipulation of the financial statements including management override, and considered that the principal risk was related to the posting of inappropriate journal entries to improve the result before tax for the year.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

Procedures performed by the audit team included:

- Discussions with management regarding known or suspected instances of non-compliance with laws and regulations;
- Evaluation of controls designed to prevent and detect irregularities; and
- Assessing journal entries as part of our planned audit approach.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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.

Magee Gammon Corporate Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE FAVERSHAM MUNICIPAL CHARITIES 2010

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FAVERSHAM MUNICIPAL CHARITIES 2010

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Account 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 trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....

Mr Andrew J Childs FCA (Senior Statutory Auditor)
For and on behalf of Magee Gammon Corporate Limited
Chartered Accountants
Statutory Auditor
Henwood House
Henwood
Ashford
Kent
TN24 8DH

Date: 24 May 2022

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 Restricted £	2021 Unrestricted £	2021 Total £	2020 Total £
Turnover	3	-	317,234	317,234	332,220
Operating costs					
Direct costs	8	-	225,909	225,909	228,969
Support costs	9	213	61,880	62,093	75,972
		(213)	(287,789)	(288,002)	(304,941)
Operating (deficit)/surplus		(213)	29,445	29,232	27,279
Other income					
Donations and legacies	2	20,000	649	20,649	1,435
Interest receivable and other income	4	4,530	33,741	38,271	47,877
Gains on investment disposals	17	12,530	93,299	105,829	40,598
		37,060	127,689	164,749	89,910
Other expenditure					
Interest payable	14	-	(16,602)	(16,602)	(16,727)
Investment management expenses	5	(208)	(1,547)	(1,755)	(13,114)
Grants payable	6	(10,000)	(1,359)	(11,359)	(3,570)
Governance costs	10	(1,516)	(15,787)	(17,303)	(13,445)
(Deficit)/Surplus for the year		25,124	121,838	146,962	70,333
Unrealised gains/(losses) on investments	17	(7,530)	(5,227)	(12,757)	(40,419)
Total comprehensive income/ (expenditure) for the year		17,594	116,611	134,205	29,914

On behalf of the trustees:

David Simmons

Cllr D H S Simmons, Chairman

J N Coulter

Mr J N Coulter, Vice Chairman

Carolyn Flanagan

Mrs C Flanagan, Clerk to the Trustees

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Revenue Reserves £	Designated Reserves £	Restricted Funds £	Total £
Balance at 1 January 2020	2,701,045	396,366	269,954	3,367,365
Surplus / (deficit) from statement of comprehensive income	141,028	(72,473)	1,778	70,333
Unrealised (losses)/gains on investments	(36,720)	1,232	(4,932)	(40,419)
	2,805,353	325,125	266,601	3,397,279
Transfer between funds	(56,994)	56,994	-	-
Balance at 31 December 2020	2,748,359	382,120	266,601	3,397,279
Surplus / (deficit) from statement of comprehensive income	96,211	25,628	25,124	146,962
Unrealised gains / (loss) on investments	(56,068)	50,841	(7,530)	(12,757)
	2,788,501	458,588	284,395	3,531,484
Transfer between funds	(54,157)	74,157	(20,000)	-
Balance at 31 December 2021	2,734,344	532,745	264,395	3,531,484

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF FINANCIAL POSITION
ENDED 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible fixed assets	16		2,216,452		2,181,741
Investments	17		2,299,428		2,239,226
			4,515,880		4,420,967
Current assets					
Trade and other debtors	18	100,990		86,991	
Cash and cash equivalents	27	160,920		162,657	
		261,910		249,648	
Creditors: amounts falling due within one year	19	(50,568)		(54,486)	
Net current assets			211,342		195,162
Total assets less current liabilities			4,727,222		4,616,129
Creditors: amounts falling due after more than one year	20		(1,195,738)		(1,218,850)
Total net assets			3,531,484		3,397,279

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF FINANCIAL POSITION (continued)
AS AT YEAR ENDED 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
Reserves	24				
Revenue reserve			2,840,174		2,748,358
Designated reserves			426,916		382,120
Restricted reserves			264,394		266,801
			3,531,484		3,397,279

These financial statements were approved by the trustees and authorised for issue on 18 May 2022.

On behalf of the trustees:

David Simmons
.....
Cllr D H S Simmons, Chairman

.....
Mr J N Coulter, Vice Chairman

Carolyn Flanagan
.....
Mrs C Flanagan, Clerk to the Trustees

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021	2020
		£	£
Net cash generated from operating activities	26	(24,811)	(99,018)
Cash flow from investing activities			
Dividends, interest and rents from investments		38,271	47,877
Purchase of tangible fixed assets		(46,780)	(23,213)
Proceeds from sales of investments		392,457	117,783
Purchase of investments		(359,587)	(70,180)
		24,361	72,267
Cash flow from financing activities			
Repayment of borrowings		(1,287)	(1,175)
		(1,287)	(1,175)
Net change in cash and cash equivalents		(1,737)	(27,926)
Cash and cash equivalents at beginning of the year		162,657	190,583
Cash and cash equivalents at end of the year	27	160,920	162,657

1. Accounting policies

1.1 Basis of preparation

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. The departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015 and Charities Act 2011.

Faversham Municipal Charities 2010 constitutes a public benefit entity as defined by FRS 102.

1.2 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution has been made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent assed and disclosed if material.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Turnover represents rental income (net of void losses), other income receivable from properties owned by the Association and amortisation of Social Housing Grant (SHG) under the accrual method.

1. Accounting policies (continued)

1.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measure reliably. Expenditure is classified by activity. The costs of each activity are made up of the total direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support cost which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include projects managements carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred to the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as commitment, but not accrued as expenditure.

1.4 Tangible fixed assets and depreciation

A review for impairment of a fixed assets is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairments. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimate residual value, over their expected useful lives on the following bases:

Freehold Property	2%
Fixtures and fittings	4%
Roofs	80 years
Bathrooms	25 years
Kitchens	25 years
Boilers	20 years

1. Accounting policies (continued)

Freehold land is not subject to depreciation

Housing properties are stated at their historical cost less depreciation and any provision for impairment. Costs include the cost of acquisition, construction and improvement. Improvements are works which results in an enhancement of the economic benefits of the asset to the Charity arising from an increase in the net rental income over the life of the asset, such as the reduction of future maintenance costs, or which results in the significant extension of the useful economic life of the property.

Depreciation is charged so as to write down the cost or valuation (net of Housing Association Grant, and other capital grants) of the freehold housing properties and major components on a straight-line basis over their expected useful economic lives. Major components are treated as separable assets and depreciated over their expected useful economic lives or he lives of the structure to which they relate, if shorter.

The estimated useful economic life for each component has been based on the Charity's current experience of component replacement. The Charity will continue to monitor and review the useful economic life of each component and make revisions where sustained material changes occur.

Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any write down would be charged to the operating surplus.

1.5 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/ (losses) on investments on the Statement of financial activities.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measures reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.7 Debtors

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

1.8 Cash at bank and in hand

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

1. Accounting policies (continued)

1.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.11 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

1.12 Fund accounting

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

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors of which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

1.13 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are discussed below.

1. Accounting policies (continued)

Critical areas of judgement:

Depreciation and residual values
The trustees have reviewed the asset lives and residual values of all fixed asset classes and have concluded that the asset lives and residual values are appropriate.

1.14 Social Housing Grant

Social Housing Grant (SHG) is used to reduce the capital costs of housing property. SHG is initially recognised at fair value as a long-term liability, specifically as deferred grant income, and released through the income and expenditure as turnover income over the life of the structure of the housing properties in accordance with the accrual method applicable to social housing landlords holding housing properties at cost.

1.15 Cyclical Repairs and Maintenance

The Charity has established a regular programme of cyclical repairs and maintenance. Costs are charged to the Revenue account in the year in which they are incurred.

1.16 Extraordinary Repairs

Costs of Extraordinary Repairs unless representing improvements to the properties, are charged to the Revenue account in the year in which they are incurred. The Extraordinary Repairs Reserve represents the amounts set aside to carry out major repairs on Housing properties.

2. Income from donations and legacies

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	-	649	649	1,435
Grants	20,000	-	20,000	-
	20,000	649	20,649	1,435
Total 2020	-	*1,435*	*1,435*	

3. Turnover from social housing lettings

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Weekly maintenance contributions	-	326,760	326,760	320,243
Less: losses from voids		(31,239)	(31,239)	(9,736)
		295,521	295,521	310,507
Social housing grant utilised in year	-	21,713	21,713	21,713
	-	317,234	317,234	332,220
Total 2020	-	*332,220*	*332,220*	

Accommodation in management

	2021	2020
Housing for older people in need	69	69

4. Investment income

	Restricted funds 2021	Unrestricted funds 2021	Total funds 2021	Total funds 2020
	£	£	£	£
Listed investments	4,526	33,703	38,229	47,643
Investment properties	-	17	17	26
Cash	4	21	25	208
	4,530	33,741	38,271	47,877
Total 2020	*5,711*	*42,166*	*47,877*	

5. Investment management costs

	Restricted funds 2021	Unrestricted funds 2021	Total funds 2021	Total funds 2020
	£	£	£	£
Investment management fees	208	1,547	1,755	13,114
	208	1,547	1,755	13,114
Total 2020	*1,553*	*11,561*	*13,114*	

6. Analysis of grants

	Grants to Institutions 2021	Grants to Individuals 2021	Total 2021	Total 2020
	£	£	£	£
Almshouse & Chapel Branch	-	-	-	-
Relief in Need Branch	-	410	410	-
Education Branch	-	949	949	570
Faversham Heritage Fund & Henry Hatch Charity	10,000	-	10,000	3,000
Recreation Branch	-	-	-	-
	10,000	1,359	11,359	3,570
Total 2020	*3,000*	*570*	*3,570*	

7. Analysis of expenditure on charitable activities

	Restricted funds 2021	Unrestricted funds 2021	Total funds 2021	Total funds 2020
	£	£	£	£
Almshouse & Chapel Branch	-	303,870	303,870	320,870
Relief in Need Branch	-	619	619	271
Education Branch	-	1,159	1,159	852
Faversham Heritage Fund & Henry Hatch Charity	10,213	-	10,213	3,100
Recreation Branch	-	102	102	145
	10,213	305,750	315,963	325,238
Total 2020	*3,100*	*322,138*	*325,238*	

8. Direct costs

	Almshouse & Chapel Branch	Relief in Need Branch	Education Branch	Recreation Branch	Heritage and Hatch Charity	Total 2021	Total 2020
	£	£	£	£	£	£	£
Rates	223	-	-	-	-	223	374
Insurance	21,946	-	-	-	-	21,946	20,850
Light & heat	8,962	-	-	-	-	8,962	7,319
Building repairs	110,098	-	-	-	-	110,098	118,334
Equipment repairs	11,971	-	-	-	-	11,971	12,138
Grounds upkeep	14,687	-	-	-	-	14,687	10,975
Wages and salaries	45,514	-	-	-	-	45,514	46,271
National insurance	(207)	-	-	-	-	(207)	1,476
Pension cost	709	-	-	-	-	709	731
Depreciation	12,069	-	-	-	-	12,069	10,501
	225,909	-	-	-	-	225,909	228,969
Total 2020	*228,969*	-	-	-	-	*228,969*	

9. Support costs

	Almshouse & Chapel Branch	Relief in Need Branch	Education Branch	Recreation Branch	Heritage and Hatch Charity	Total 2021	Total 2020
	£	£	£	£	£	£	£
Office	13,564	209	210	102	213	14,298	15,827
Wages and salaries	47,377	-	-	-	-	47,377	52,739
National insurance	(983)	-	-	-	-	(983)	6,016
Pension cost	1,401	-	-	-	-	1,401	1,390
	61,359	209	210	102	213	62,093	75,972
Total 2020	*75,174*	*271*	*282*	*145*	*100*	*75,972*	

10. Governance costs

	Restricted funds 2021	Unrestricted funds 2021	Total 2021	Total 2020
	£	£	£	£
Auditor's remuneration	533	8,467	9,000	10,380
Legal & professional fees	904	6,734	7,638	2,400
Trustee indemnity insurance	79	586	665	665
	1,516	15,787	17,303	13,445
Total 2020	*896*	*12,549*	*13,445*	

During the year ended 31 December 2021, the charity incurred the following governance costs:

£13,219 (*2020-£11,031*) included within the table above in respect of the Almshouse & Chapel Branch.
£1,079 (*2020-£638*) included within the table above in respect of the Relief in Need Branch.
£1,237 (*2020-£731*) included within the table above in respect of the Education Branch.
£252 (*2020-£149*) included within the table above in respect of the Recreation Branch.
£1,516 (*2020-£896*) included within the table above in respect of the Faversham Heritage Fund and Henry Hatch.

11. Analysis of expenditure by expenditure type

	Staff costs 2021	Depreciation 2021	Other costs 2021	Total 2021	Total 2020
	£	£	£	£	£
Investment management fees	-	-	1,755	1,755	13,114
Costs of raising funds	-	-	1,755	1,755	13,114
Almshouse & Chapel Branch	93,748	12,069	198,053	303,870	320,870
Relief in Need Branch	-	-	619	619	271
Education Branch	-	-	1,159	1,159	852
Faversham Heritage Fund & Henry Hatch Charity	-	-	10,213	10,213	3,100
Recreation Branch	-	-	102	102	145
Charitable activities	93,748	12,069	210,146	315,963	325,238
Expenditure on governance	-	-	17,303	17,303	13,445
	93,748	12,069	229,204	335,021	351,797
Total 2020	108,623	10,501	232,673	351,797	

12. Net income/(expenditure)

	2021	2020
	£	£
Operating surplus is stated after charging:		
Auditor's remuneration	9,000	10,380
Depreciation	12,069	10,501

No trustees received any remuneration during the year (2020 - £nil).
No trustees received any benefits in kind during the year (2020 - £nil).
No trustees received any reimbursement of expenses during the year (2020 - £nil).

The Clerk to the Trustees received emoluments of £48,778 (2020 - £48,044).

13. Staff costs

Staff costs for the year amounted to:

	2021	2020
	£	£
Wages and salaries	92,891	99,010
Social security costs	(1,253)	7,492
Pension costs	2,110	2,121
	93,748	108,623

The average number of persons employed by the charity during the year was as follows:

	2021	2020
	No.	No.
Scheme Manager (Part time)	2	2
Caretaker and cleaner	2	2
Administration	2	2
	6	6

No employee received remuneration above £60,000 (2020 – none).

14. Interest payable

	2021	2020
	£	£
On loans wholly or partly repayable in more than 5 years	16,602	16,727

15. Taxation

Factors affecting tax charge for the year

The Housing Association is a Registered Charity and is therefore exempt from liability to taxation on its income and capital gains.

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

16. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2021	2,967,086	207,122	3,174,208
Additions	-	46,780	46,780
At 31 December 2021	2,967,086	253,902	3,220,988
Depreciation			
At 1 January 2021	951,740	40,727	992,467
Charge for the year	2,998	9,071	12,069
At 31 December 2021	954,738	49,798	1,004,536
Net book value			
At 31 December 2021	2,012,348	204,104	2,216,452
At 31 December 2020	2,015,346	166,395	2,181,741

The above details relate to improvements and developments of the properties which were transferred on 1 January 2013 from Faversham United Municipal Charities and there are no records of the original cost of them.

They were funded by Housing Corporation Grants totalling £1,737,009.91 and Residual Mortgage Loans of £57,523 at an annual interest rate of 14% per annum over 30 years from 1 November 1982, and £190,465.24 at an annual interest rate of 9.375% per annum over 60 years from 1 October 1989. The balance was provided from the Charity's resources.

17. Investments

	2021	2020
	£	£
The market value of investments as at 31 December 2021 is as follows:		
IPS Growth Portfolio – 138,273.15 units (2020 - 345,821.69)	297,702	640,116
IPS High Yield Income Portfolio – 1,487,027.72 units (2020 - 1,166,590.47)	1,659,523	1,307,748
Charities Investment Fund ERF Scheme – 815 accumulation units	197,371	168,048
Charities Investment Fund HRF Scheme – 598.05 accumulation units	144,832	123,314
	2,299,428	2,239,226
The cost of investments as at 31 December 2021 is as follows:		
IPS Growth Portfolio – 138,273.15 units (2020 - 345,821.69)	190,958	477,587
IPS High Yield Income Portfolio – 1,487,027.72 units (2020 - 1,166,590.47)	1,616,293	1,256,705
Charities Investment Fund ERF Scheme – 815 accumulation units	64,117	64,117
Charities Investment Fund HRF Scheme – 598.05 accumulation units	51,439	51,439
	1,922,806	1,849,847

All investments held at 31 December 2021 are UK listed investments in managed funds.

Market value at 1 January 2021	2,239,226	2,286,650
Additions	359,587	70,180
Disposals	(392,457)	(117,783)
Realised surplus	105,829	40,598
Unrealised surplus / (deficit)	(12,757)	(40,419)
Market value at 31 December 2021	2,299,428	2,239,226

18. Trade and other debtors

	2021	2020
	£	£
Social housing rent arrears	168	217
Prepayments and accrued income	100,822	86,774
	100,990	86,991

19. Creditors: amounts falling due within one year

	2021	2020
	£	£
Other loans	1,287	1,175
Accruals and deferred income	27,568	31,598
Deferred grant	21,713	21,713
	50,568	54,486

20. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Deferred grant	1,020,481	1,042,194
Other loans	175,257	176,656
	1,195,738	1,218,850

21. Deferred income

	2021	2020
	£	£
Balance brought forward	790	412
Released in year	(790)	(412)
Deferred during the year	2,857	790
Balance carried forward	2,857	790

22. Deferred grants

	2021	2020
	£	£
Balance brought forward	1,063,907	1,085,620
Released in year	(21,713)	(21,713)
Balance carried forward	1,042,194	1,063,907

The deferred grant represents a capital grant received in 1980-84, 1988-91, 2003 and 2004-05 for the modernisation of the almshouses, building of new almshouses, replacing gas boilers and windows. The grant is being released over the estimated useful life of the property in association with FRS102.

23. Loans

	2021	2020
Amounts falling due within one year	1,287	1,175
Amounts falling due 1-2 years	1,400	1,300
Amounts falling due 2-5 years	4,300	4,000
Amounts falling due after more than 5 years	169,557	171,356
	176,544	177,831

Loans are secured over the assets concerned.

24. Statement of funds

Statement of funds – current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Designated funds						
Cyclical maintenance fund	58,926	-	(25,640)	24,596	-	57,882
Emergency repair fund	168,048	-	(54,561)	54,561	29,323	197,371
Housing redevelopment fund	125,146	-	-	-	21,517	146,663
Roof repair fund	25,000	-	-	-	-	25,000
Chapel heating fund	5,000	-	-	(5,000)	-	-
	382,120	-	(80,201)	74,157	50,840	426,916
General funds						
General funds	2,743,336	343,936	(238,082)	(45,685)	28,759	2,832,264
Education branch	396	3,694	(2,565)	(4,080)	4,080	1,525
Recreation branch	1,831	753	(389)	(832)	832	2,195
Relief in need branch	2,795	3,241	(1,846)	(3,560)	3,560	4,189
	3,130,478	351,624	(323,084)	20,000	88,071	3,267,089
Restricted funds						
Organ maintenance fund	3,518	-	-	-	-	3,518
Chapel heating	-	20,000	-	(20,000)	-	-
Faversham Heritage Fund and Henry Hatch Charity	263,283	4,530	(11,937)	-	5,000	260,876
	266,801	24,530	(11,937)	(20,000)	5,000	264,394
Total of funds	3,397,279	376,154	(335,021)	-	93,072	3,531,484

24. Statement of funds (continued)

Statement of funds – prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Designated funds						
Cyclical maintenance fund	53,613	-	(47,466)	52,779	-	58,926
Emergency repair fund	153,026	-	(51,955)	51,955	15,022	168,048
Housing redevelopment fund	159,727	-	-	(47,740)	13,159	125,146
Roof repair fund	25,000	-	-	-	-	25,000
Chapel heating fund	5,000	-	-	-	-	5,000
	396,366	-	(99,421)	56,994	28,181	382,120
General funds						
General funds	2,657,129	366,201	(241,411)	(19,514)	(19,069)	2,743,336
Education branch	19,705	4,612	(2,850)	(18,367)	(2,705)	396
Recreation branch	6,718	941	(552)	(4,723)	(552)	1,831
Relief in need branch	17,493	4,068	(2,014)	(14,391)	(2,361)	2,795
	3,097,411	375,821	(346,248)	-	3,495	3,130,478
Restricted funds						
Organ maintenance fund	3,518	-	-	-	-	3,518
Faversham Heritage Fund and Henry Hatch Charity	266,436	5,711	(5,549)	-	(3,315)	263,283
	269,954	5,711	(5,549)	-	(3,315)	266,801
Total of funds	3,367,365	381,532	(351,797)	-	180	3,397,279

24. Statement of funds (continued)

Summary of funds – current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Designated funds	382,120	-	(80,201)	74,157	50,840	426,916
General funds	2,748,358	351,624	(242,883)	(54,157)	37,231	2,840,174
	3,130,478	351,624	(323,084)	20,000	88,071	3,267,089
Restricted funds	266,801	24,530	(11,937)	(20,000)	5,000	264,394
	3,397,279	376,154	(335,021)	-	93,072	3,531,484

Summary of funds – prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Designated funds	396,366	-	(99,421)	56,994	28,181	382,120
General funds	2,701,045	375,821	(246,827)	(56,994)	(24,686)	2,748,358
	3,097,411	375,821	(346,248)	-	3,495	3,130,478
Restricted funds	269,954	5,711	(5,549)	-	(3,315)	266,801
	3,367,365	381,532	(351,797)	-	180	3,397,279

25. Analysis of net assets between funds

Analysis of net assets between funds – current year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	2,216,452	2,216,452
Fixed asset investments	231,735	2,067,693	2,299,428
Current assets	32,659	229,251	261,910
Creditors due within one year	-	(50,568)	(50,568)
Creditors due in more than one year	-	(1,195,738)	(1,195,738)
	264,394	3,267,090	3,531,484

Analysis of net assets between funds – prior year

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	2,181,741	2,181,741
Fixed asset investments	230,627	2,008,599	2,239,226
Current assets	36,174	213,474	249,648
Creditors due within one year	-	(54,486)	(54,486)
Creditors due in more than one year	-	(1,218,850)	(1,218,850)
	266,801	3,130,478	3,397,279

26. Reconciliation in net movement in funds to net cash flow from operating activities

	2021	2020
	£	£
Net income/(expenditure) for the year	134,205	29,914
Adjustments for:		
Depreciation charges	12,069	10,501
(Gains)/losses on investments	(93,072)	(179)
Dividends, interest and rents from investments	(38,271)	(47,877)
Loss on the sale of fixed assets	-	-
(Increase) / decrease in debtors	(13,999)	(67,280)
(Decrease) / increase in creditors	(25,743)	(24,097)
Net cash used (in)/by operating activities	(24,811)	(99,018)

Analysis of net debt

	At 1 January 2021	Cash flows	At 31 December 2021
	£	£	£
Cash at bank and in hand	162,657	(1,737)	160,920
Debt due after 1 year	(176,656)	1,399	(175,257)
Debt due within 1 year	(1,175)	(112)	(1,287)
	(15,174)	(450)	(15,624)

27. Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash in hand	160,920	162,657

28. Grant commitments

At the 31 December 2020 the charity had commitments as follows:

	2021	2020
	£	£
Within one year	23,600	11,000
Between one and two years	-	22,000
	23,600	33,000

29. Pension commitments

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 £2,110 (2020 - £2,121). Contributions totalling £nil (2020 - £nil) were payable to the fund at the balance sheet date.

30. Related party transactions

Cllr Simmons and (appointed post-year) Cllr Jackson are members of Swale Borough Council. Cllr Barker and (appointed post-year) Cllrs Jackson, Martin and Reynolds are members of Faversham Town Council. During the year lease payments were received totalling £1 (2020 - £1) from Swale Borough Council for a recreation park held by the charity. This is in respect of a long lease entered in 2010. During the year, trustees gave a one-off grant of £10,000 from the Faversham Heritage and Henry Hatch Charity to Faversham Town Council towards its Magna Carta Legacy Project. The Councillors cannot use their position to their advantage. No monies were outstanding at the year end.

31. Leases arrangements

At the 31 December 2021 the charity had future incoming resources from non-cancellable lease agreements as follows:

	2021	2020
	£	£
Within one year	1	1
Between one and two years	1	1
Between two and five years	3	3
More than five years	33	34
	38	39

THE FAVERSHAM MUNICIPAL CHARITIES 2010

England & Wales - Charity number 1140259

Accounts

Charity number 1140259

THE FAVERSHAM MUNICIPAL CHARITIES 2010

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2020

THE FAVERSHAM MUNICIPAL CHARITIES 2010

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THE FAVERSHAM MUNICIPAL CHARITIES 2010

LEGAL AND ADMINISTRATIVE DETAILS

Trustees	Cllr D H S Simmons, Chairman Mr J Coulter, Vice Chairman Mr T Abram (Term as council appointee expired 13 April 2021) Cllr K M Barker (Appointed 13 January 2021) Mr J W E Blackford Mr B M Caffarey (Resigned 5 December 2020) Mrs C Davis Mr S A Fisher (Appointed 13 April 2021) Mr M S Gates Mr T Gates Ms J S Hennessey Mr A D Mussett Mrs D Neame Mr A Shepherd Mr D G Wade Mrs A J Walker Dr E J Wilcox
Charity registration number	1140259
Registered office	5 The Almshouses South Road Faversham Kent ME13 7LU
Auditors	Magee Gammon Corporate Limited Henwood House Henwood Ashford Kent TN24 8DH
Bankers	National Westminster Bank Faversham Branch 13 Market Place Faversham Kent ME13 7AF Lloyds Bank Private Banking Limited / Schroders Personal Wealth 25 Gresham Street London EC2V 7HN
Solicitors	Furley Page 39 St Margaret's Street Canterbury CT1 2TX

THE FAVERSHAM MUNICIPAL CHARITIES 2010

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their annual report together with the audited financial statements of the charity Faversham Municipal Charities 2010 (the Charity) for the year 1 January 2020 to 31 December 2020.

The members of the board of trustees who have served during the year were:

Cllr D H S Simmons, Chairman
Mr J Coulter, Vice Chairman
Mr T Abram (Term as council appointee expired 13 April 2021)
Mr J W E Blackford
Mr B M Caffarey (Resigned as a co-opted Trustee on 5 December 2020)
Mrs C Davis
Mr M S Gates
Mr T Gates
Ms J Hennessey
Mr A D Mussett
Mrs D Neame
Mr A Shepherd
Mr D G Wade
Mrs A J Walker
Dr E J Wilcox

1. STRUCTURE, GOVERNANCE AND MANAGEMENT

1.1 Constitution

Faversham Municipal Charities exists under its governing instrument, a Charity Commission scheme of 11 December 2012, and, in relation to the Faversham Heritage Fund and Henry Hatch Charity, a Charity Commission scheme of 29 November 2012. Faversham Municipal Charities is an unincorporated trustee body. Its area of benefit is the town of Faversham as at 2012.

The Charity's principal objectives are relief of poverty by provision of almshouses; advancement of education by provision of grants and bursaries to organisations or individuals; relief of poverty by the making of grants and payments to organisations or individuals; and provision of a recreation ground. The principal objectives of the heritage charity are preservation and improvement of historic buildings and townscape and landscape.

There have been no changes in the objectives since the last annual report.

1.2 Method of appointment or election of trustees

Under the scheme of 11 December 2012, there should be five nominated trustees appointed for a four-year term by Faversham Town Council at a meeting of the council and ten co-opted trustees appointed for a five-year term by the trustees at a special meeting. The trustees are trustees of the Faversham Heritage Fund and Henry Hatch Charity by virtue of its scheme of 29 November 2012.

Appointments of new co-opted trustees in recent years have mostly been by election from two or three candidates. Candidates are asked to provide a CV. In appointing a co-opted trustee, the trustees are mindful of the types of professional and volunteer experience that would assist the Charity's work.

New trustees are given FMC's governing instrument and latest accounts and a trustee declaration and are invited to meet the Clerk and view FMC's almshouses site.

1.3 Organisational structure and decision making

Management of the Charity is the responsibility of the trustees.

The board of trustees has overall responsibility for achieving the Charity's aims and objectives.

The trustees meet quarterly to review the Charity's strategy and performance and to set objectives, operating plans and budgets. A General Purposes Committee deals with day-to-day running of the Charity, meeting in most months between quarterly meetings. The Appointments and Welfare Committee meets as needed to consider matters relating to almshouse residency. Working groups are occasionally appointed for particular purposes.

1.4 Risk management

The trustees have assessed the major risks to which the Charity is exposed, in particular those related to operations and finances of the Charity and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

1.5 Trustees' indemnities

Charity Protection Policy is in place with a £1 million limit of indemnity, which meets Charity Commission requirements.

2. OBJECTIVES AND ACTIVITIES

2.1 Policies and objectives

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission and Homes England relating to public benefit.

The two Charities administered by the Trustees are set out below with general notes on the operations and have all been disbursed in accordance with their respective schemes. Exact financial details are set out in the final accounts. The Trustees have reviewed the operation of these charities and are satisfied that they provide funds and grants for purposes that are charitable and of public benefit.

The Faversham Municipal Charities 2010 (registered charity 1140259) comprises four branches with the following objectives:

Almshouse and Chapel Branch
For relief of poverty by provision of almshouse accommodation for people resident in the area of benefit for not less than five years preceding appointment and for such charitable purposes for the benefit of the residents as the trustees decide.

Education Branch
For the advancement of education by the provision of grants and bursaries to organisations or individuals resident in the area of benefit and pupils or former pupils of Queen Elizabeth's Grammar School.

Relief in Need Branch
For relief of poverty by provision of grants and payments to organisations or individuals resident in the area of benefit.

Recreation Branch
For provision of a recreation ground in the area of benefit for the enjoyment of the public.

and *The Faversham Heritage Fund and Henry Hatch Charity (1140259-1),* whose objects are preservation and improvement of historic buildings, the distinctive character of the townscape, landscape and the creek and preservation of historic artefacts, regalia and ceremonials in the area of benefit.

2.2 Grant-making policies

Grants are made to applicants in accordance with the provisions of the trust schemes.

3. ACHIEVEMENTS AND PERFORMANCE

3.1 Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details about adoption of the going concern basis are in the Accounting Policies.

3.2 Review of activities

Cllr David Simmons was re-elected Chairman for a fourth year at the Charity's AGM in January 2020.

Mrs Sue Bayford retired as Clerk to the Trustees in January 2020, after 20 years' service. Mrs Carolyn Flanagan became Clerk upon Mrs Bayford's retirement.

Mr Brian Caffarey resigned as a co-opted Trustee on 5 December 2020 because he was moving to Hertfordshire.

2020 was over-shadowed by the COVID-19 pandemic, which to some degree affected almost every single aspect of the work of the Charity.

In June 2020, the Charity Commission confirmed that Municipal Charities of Faversham CIO had been successfully registered, following a process which began in 2017. All Trustees of Faversham Municipal Charities 2010 accepted office as a charity trustee of the CIO.

The CIO existed during the year as a legal entity without assets, income or expenditure. It is intended that the CIO should become sole corporate trustee of Faversham Municipal Charities 2010 after the satisfactory completion of processes with Homes England, the Regulator of Social Housing and the Charity Commission.

During the year work was undertaken to develop policy documents, to assist with the management of the Charity.

The Trustees have reviewed the operation of FMC 2010 and are satisfied that they have complied with their duty to have due regard to public benefit guidance when exercising their charitable purposes.

The Trustees, at their April meeting, reviewed reserve funds of the four branches and the heritage charity and were satisfied that income had largely either been used or was being held ready for grant-recipients' projects to begin, with no undue accumulation.

This report provides highlights of the year. Grant-giving is reported for each branch.

Almshouse and Chapel Branch

Provision of Almshouses
The branch provides, at its site in South Road, Faversham, 69 almshouse units for about 85 beneficiaries, together with a chapel, a residents' lounge, a laundry room and a guest bedroom.

The work of this branch is primarily supported by investment income and by weekly maintenance contributions from almshouse residents.

Trustees are looking into making our bedsits into one-bedroom flats. This is also referred to at item 5 (Future Developments).

Trustees have continued a programme, initiated in 2018, of improvements to roof voids in the main almshouses block, including installation of LED lighting and emergency lighting, repositioning of pipes and cabling, better insulation, upgrading fire doors, and improved access for contractors.

The Charity continued its programme of ongoing maintenance, repair and refurbishment during the year. Repair spending was £21,873 for general everyday issues, and Cyclical Maintenance Fund spending was £52,668, which included major refurbishment of some flats.

Due to the COVID-19 pandemic, some scheduled work was delayed and the annual inspection of flats was unable to take place. Legal compliance requirements such as fire checks and legionella testing continued to be carried out.

Following a number of incidents committed by night-time intruders across the Almshouses site, security guards were hired temporarily to deter the perpetrators. The Trustees and almshouse residents also agreed to the installation of CCTV. Following a Data Protection Impact Assessment, cameras were installed and cover all areas of the site.

The Charity's Appointments and Welfare Committee continues to monitor and refine processes for selecting almshouse residents to ensure that these processes are transparent and ensure appropriate appointments in line with the Charity's scheme. Assessing applicants before any flat becomes available helps to keep voids low and ensure that the housing is benefiting people.

During the year, Trustees adopted a new handbook for residents.

Benefits to residents
The Almshouses provide good accommodation and a supportive environment for about 85 beneficiaries. The Charity works with various public agencies in admitting and supporting some residents with particular problems, so providing a wider benefit to society. The importance of the Almshouses' service to the Faversham community has been increased by major housing associations' closure of two sites of sheltered housing for the elderly in the town in recent years.

Due to the COVID-19 pandemic there were no community activities at the Almshouses from March 2020.

Chapel
Trustees reappointed as Chaplain the Rev Simon Rowlands, Priest-in-charge at St Mary of Charity. Monthly services were held up until March and for a brief period between July and October, in line with government guidelines. The Chapel remained open from July for private prayer.

There were no concerts, nor other events, in 2020 due to the Coronavirus COVID-19 pandemic.

Education Branch

As in previous years, the Trustees provided for Queen Elizabeth's Grammar School three prizes for academic excellence (£80 each) and three awards to support continuing education (£80 each).

FMC pledged £1,000 to Cinque Ports Rowing in March towards tools and workshop equipment for the Faversham Community Boat Build.

In July FMC granted £250.00 to a student to help towards the cost of a new computer.

Relief in Need Branch

A loan of £1,070 was given to a resident to help pay for the funeral of her partner. The loan was fully repaid during the year.

Trustees have remained alert for cases in which Relief in Need fund income, which has not always been in demand in the past, may legitimately be used in the almshouses and education areas using powers given in the 2012 scheme.

Recreation Branch

The Charity owns the freehold of the 20-acre Faversham Recreation Ground, operated by Swale Borough Council as lessee, and holds modest funds for recreation branch purposes.

Trustees have been kept informed about progress on Swale Council's £1.9m heritage-led refurbishment and improvement of the Recreation Ground, which is aided by a £1.6m Lottery award.

Trustees are pleased that the project has now largely been completed, with the exception of a few minor issues.

Trustees continue to seek to ensure that the Rec serves for the benefit and enjoyment of the public. Trustees are mindful that the governing instrument by which they are bound specifically requires that the Rec be used as a public recreation ground.

The Faversham Heritage Fund and Henry Hatch Charity

Trustees pledged £10,000 towards the Magna Carta Legacy Project, being in support of a bid by Faversham Town Council to Viridor Credits. The bid to Viridor Credits was subsequently unsuccessful. Since the year end, Trustees have agreed to grant the Council £10,000 towards a revised scheme for displaying Faversham charters.

Trustees made a grant of £3,000 towards two new bells at the Parish Church of St Mary of Charity.

Funds of £22,000 remain set aside towards work required for creekside footpaths.

3.3 Investment policy and performance

With effect from December 2020, Trustees agreed to move the Charity's funds managed by Schroders Personal Wealth to the Personal Discretionary Portfolio Service of Schroders Personal Wealth. 2020 was one of the most financially volatile years in history and the value of the portfolio finished the year £28,000 below the 1 January 2020 figure.

Trustees monitor investments, and a Schroders representative attends a full trustee meeting twice a year to give updates and answer questions. COIF is used to hold some funds for particular purposes.

4. FINANCIAL REVIEW

4.1 Reserves policy

In order to fund the maintenance and repair of the almshouse property from its own resources, the Charity holds cash and investments to generate income. If required, all opportunities for grants from statutory authorities and other funders will be accessed. Cyclical and extraordinary repairs are funded annually out of current-year income from the weekly maintenance contributions from residents of the almshouses, together with improvements in accommodation as dwellings become vacant.

4.2 Principal funding

The gifts of past benefactors, mainly in wills, form the basis of the present charities and enable the trustees to support Faversham today. Money donated in this way is not spent, but invested so that income may be available for present and future generations.

4.3 Material investments policy

Schroders Personal Wealth manages the charities' main investments, seeking a balanced return through a diversified portfolio of collective instruments.

5. VALUE FOR MONEY (VFM)

This report sets out our VFM performance looking back over 2020 and provides our VFM targets going forward. It aims to provide the reader with a transparent account of how we are striving to make the most of the resources at our disposal in the pursuit of our strategic objectives. We positively encourage feedback and challenge from our customers and other stakeholders on our VFM performance. The report is structured to meet the requirements of the RSH's VFM standard with which we must comply as a Registered Provider.

Metric	RSH metrics	2020	2021 Target	Global accounts median 2019 Less than 2500 units	Global accounts- 2019- RP's managing more than 1000 homes median
Reinvestment %	Yes	1%	5%	4.40%	
New supply delivered %	Yes	0%	0%		
New social housing supply	Yes	0%	0%	0.60%	
New non- social housing supply	Yes	0%	0%	0.00%	
Gearing % – debt as a percentage of assets	Yes	1%	1%	34.10%	
EBITDA MRI Interest Cover %	Yes	217%	215%	194%	
Headline social housing cost per unit	Yes	£5,144	£5,000	£4,213	
Operating margin % - social housing	Yes	8.30%	8%	23.30%	
Operating margin % - overall	Yes	7.09%	8%		25.80%
Return on capital employed (ROCE) %	Yes	0.65%	1%		3.80%

In a very difficult year, our staff have performed extremely well in continuing, and improving the provision of social housing. As a charity, we would expect our costs to be greater, and our operating margins, and the return on capital employed to be lower than the global metrics, to meet our charitable aims. The charity uses its resources to maintain the properties to a high standard, and to make improvements where possible, rather than acquiring new units; this strategy is unlikely to change in the foreseeable future, as a significant improvement programme is planned to commence in the current year.

6. FUTURE DEVELOPMENTS

Since 2019 Trustees have been investigating with an architect and funding advisers the possibility of converting the Almshouses' bedsits and the house into extended one-bedroom units. In March, the architects submitted a pre-planning application. Following subsequent advice from the Council, the plans were revised and a second successful pre-application was submitted in November. Dependent on a successful planning application and obtaining sufficient grant funding, which remains a major issue, it is hoped that building work will commence in 2022.

7. EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Employees are kept informed of all matters which may directly affect them, and also on the day-to-day running of the charity. In particular, regular consultations take place specifically regarding residents and their welfare, and on matters identified which may require an update of policy. All employee issues are discussed with Trustees, and support and/or appropriate action taken without delay.

In accordance with the requirement for equal opportunities, the Charity has established fair employment practices in recruitment, selection etc of disabled staff.

Staff remuneration is reviewed annually and any increases are based upon inflation figures. When available, more specific comparisons are made with other almshouse charities of a similar size and operation.

8. TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees 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 the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions and 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 Statement of Recommended Practice Accounting by Registered Social Housing Providers 2014 and the Accounting Direction for Private Registered Providers of Social Housing 2015 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE FAVERSHAM MUNICIPAL CHARITIES 2010

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

This report was approved by the trustees, on ..... 2021 and signed on their behalf by:

.....
Cllr D H S Simmons, Chairman

.....
Mr J N Coulter, Vice Chairman

.....
Mrs Carolyn Flanagan, Clerk to the Trustees

THE FAVERSHAM MUNICIPAL CHARITIES 2010

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FAVERSHAM MUNICIPAL CHARITIES 2010

Opinion

We have audited the financial statements of Faversham Municipal Charities 2010 (the 'charity') for the year ended 31 December 2020 which comprise the statement of comprehensive income, the statement of changes in equity, the statement of financial position, the statement of cash flows and the related notes. 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).

The financial statements have been prepared in accordance with The Accounting Direction for Private Registered Providers of Social Housing from April 2015 and the Statement of Recommended Practice (SORP) Accounting by registered social housing providers (updated 2018).

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020, and of its incoming resources and application of resources, 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 Charities Act 2011, the Housing and Regeneration Act 2008 and The Accounting Direction for Social Housing in England from April 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FAVERSHAM MUNICIPAL CHARITIES 2010

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

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 trustees

As explained more fully in the statement of trustees' responsibilities set out on page 8, the trustees 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FAVERSHAM MUNICIPAL CHARITIES 2010

Auditors' 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 Auditors' 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:

Capability of the audit in detecting irregularities including fraud

Based on our understanding of the Charity, we have considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011. We evaluated management incentives and opportunities for fraudulent manipulation of the financial statements including management override, and considered that the principal risk was related to the posting of inappropriate journal entries to improve the result before tax for the year.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

Procedures performed by the audit team included:

- Discussions with management regarding known or suspected instances of non-compliance with laws and regulations;
- Evaluation of controls designed to prevent and detect irregularities; and
- Assessing journal entries as part of our planned audit approach.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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.

Magee Gammon Corporate Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE FAVERSHAM MUNICIPAL CHARITIES 2010

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FAVERSHAM MUNICIPAL CHARITIES 2010

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Account 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 trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....

Mr Andrew J Childs FCA (Senior Statutory Auditor)
For and on behalf of Magee Gammon Corporate Limited
Chartered Accountants
Statutory Auditor
Henwood House
Henwood
Ashford
Kent
TN24 8DH

Date: 24 JUNE 2021

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 Restricted £	2020 Unrestricted £	2020 Total £	2019 Total £
Turnover	3	-	332,220	332,220	310,587
Operating costs					
Direct costs	8	-	228,969	228,969	262,038
Support costs	9	100	75,872	75,972	61,468
		(100)	(304,841)	(304,941)	(323,506)
Operating (deficit)/surplus		(100)	27,379	27,279	(12,919)
Other income					
Donations and legacies	2	-	1,435	1,435	9,228
Interest receivable and other income	4	5,711	42,166	47,877	57,870
Gains on investment disposals	17	1,616	38,982	40,598	23,982
		7,327	82,583	89,910	91,080
Other expenditure					
Interest payable	14	-	(16,727)	(16,727)	(16,832)
Investment management expenses	5	(1,553)	(11,561)	(13,114)	(16,070)
Grants payable	6	(3,000)	(570)	(3,570)	(13,998)
Governance costs	10	(896)	(12,549)	(13,445)	(12,189)
(Deficit)/Surplus for the year		1,778	68,755	70,333	19,072
Unrealised gains/(losses) on investments	17	(4,932)	(35,487)	(40,419)	228,949
Total comprehensive income/ (expenditure) for the year		(3,153)	33,067	29,914	248,021

On behalf of the trustees:

Cllr D H S Simmons, Chairman

Mr J N Coulter, Vice Chairman

Carolyn Flanagan

Mrs Carolyn Flanagan, Clerk to the Trustees

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Revenue Reserves £	Designated Reserves £	Restricted Funds £	Total £
Balance at 1 January 2019	2,509,589	361,798	247,957	3,119,344
Surplus / (deficit) from statement of comprehensive income	96,080	(76,442)	(566)	19,072
Unrealised (losses)/gains on investments	168,005	38,381	22,563	228,949
	2,773,674	323,737	269,954	3,367,365
Transfer between funds	(72,629)	72,629	-	-
Balance at 31 December 2019	2,701,045	396,366	269,954	3,367,365
Surplus / (deficit) from statement of comprehensive income	141,028	(72,473)	1,778	70,333
Unrealised gains / (loss) on investments	(36,720)	1,232	(4,932)	(40,419)
	2,805,353	325,125	266,601	3,397,279
Transfer between funds	(56,994)	56,994	-	-
Balance at 31 December 2020	2,748,359	382,120	266,601	3,397,279

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF FINANCIAL POSITION
ENDED 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible fixed assets	16		2,181,741		2,169,029
Investments	17		2,239,226		2,286,650
			4,420,967		4,455,679
Current assets					
Trade and other debtors	18	86,991		19,711	
Cash and cash equivalents	27	162,657		190,583	
		249,648		210,294	
Creditors: amounts falling due within one year	19	(54,486)		(56,767)	
Net current assets			195,162		153,527
Total assets less current liabilities			4,616,129		4,609,206
Creditors: amounts falling due after more than one year	20		(1,218,850)		(1,241,841)
Total net assets			3,397,279		3,367,365

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF FINANCIAL POSITION (continued)
AS AT YEAR ENDED 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
Reserves	24				
Revenue reserve			2,748,358		2,701,045
Designated reserves			382,120		396,366
Restricted reserves			266,801		269,954
			3,397,279		3,367,365

These financial statements were approved by the trustees and authorised for issue on ..... 2021.

On behalf of the trustees:

David Simmons
.....
Cllr D H S Simmons, Chairman

.....
Mr J N Coulter, Vice Chairman

Carolyn Flanagan
.....
Mrs Carolyn Flanagan, Clerk to the Trustees

THE FAVERSHAM MUNICIPAL CHARITIES 2010

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020	2020
		£	£
Net cash generated from operating activities	26	(99,018)	(56,567)
Cash flow from investing activities			
Dividends, interest and rents from investments		47,877	57,870
Purchase of tangible fixed assets		(23,213)	(71,202)
Proceeds from sales of investments		117,783	45,114
Purchase of investments		(70,180)	(500)
		72,267	31,282
Cash flow from financing activities			
Repayment of borrowings		(1,175)	(1,072)
		(1,175)	(1,072)
Net change in cash and cash equivalents		(27,926)	(26,357)
Cash and cash equivalents at beginning of the year		190,583	216,940
Cash and cash equivalents at end of the year	27	162,657	190,583

1. Accounting policies

1.1 Basis of preparation

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. The departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015 and Charities Act 2011.

Faversham Municipal Charities 2010 constitutes a public benefit entity as defined by FRS 102.

1.2 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution has been made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent assed and disclosed if material.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Turnover represents rental income (net of void losses), other income receivable from properties owned by the Association and amortisation of Social Housing Grant (SHG) under the accrual method.

1. Accounting policies (continued)

1.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measure reliably. Expenditure is classified by activity. The costs of each activity are made up of the total direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support cost which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include projects managements carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred to the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as commitment, but not accrued as expenditure.

1.4 Tangible fixed assets and depreciation

A review for impairment of a fixed assets is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairments. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimate residual value, over their expected useful lives on the following bases:

Freehold Property	2%
Fixtures and fittings	4%
Roofs	80 years
Bathrooms	25 years
Kitchens	25 years
Boilers	20 years

1. Accounting policies (continued)

Freehold land is not subject to depreciation

Housing properties are stated at their historical cost less depreciation and any provision for impairment. Costs include the cost of acquisition, construction and improvement. Improvements are works which results in an enhancement of the economic benefits of the asset to the Charity arising from an increase in the net rental income over the life of the asset, such as the reduction of future maintenance costs, or which results in the significant extension of the useful economic life of the property.

Depreciation is charged so as to write down the cost or valuation (net of Housing Association Grant, and other capital grants) of the freehold housing properties and major components on a straight-line basis over their expected useful economic lives. Major components are treated as separable assets and depreciated over their expected useful economic lives or he lives of the structure to which they relate, if shorter.

The estimated useful economic life for each component has been based on the Charity's current experience of component replacement. The Charity will continue to monitor and review the useful economic life of each component and make revisions where sustained material changes occur.

Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any write down would be charged to the operating surplus.

1.5 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/ (losses) on investments on the Statement of financial activities.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measures reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.7 Debtors

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

1.8 Cash at bank and in hand

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

1. Accounting policies (continued)

1.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.11 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

1.12 Fund accounting

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

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors of which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

1.13 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are discussed below.

1. Accounting policies (continued)

Critical areas of judgement:

Depreciation and residual values
The trustees have reviewed the asset lives and residual values of all fixed asset classes and have concluded that the asset lives and residual values are appropriate.

1.14 Social Housing Grant

Social Housing Grant (SHG) is used to reduce the capital costs of housing property. SHG is initially recognised at fair value as a long term liability, specifically as deferred grant income, and released through the income and expenditure as turnover income over the life of the structure of the housing properties in accordance with the accrual method applicable to social housing landlords holding housing properties at cost.

1.15 Cyclical Repairs and Maintenance

The Charity has established a regular programme of cyclical repairs and maintenance. Costs are charged to the Revenue account in the year in which they are incurred.

1.16 Extraordinary Repairs

Costs of Extraordinary Repairs unless representing improvements to the properties, are charged to the Revenue account in the year in which they are incurred. The Extraordinary Repairs Reserve represents the amounts set aside to carry out major repairs on Housing properties.

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

2. Income from donations and legacies

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	-	1,435	1,435	1,228
Legacies	-	-	-	8,000
	-	1,435	1,435	9,228
Total 2019	*830*	*8,398*	*9,228*	

3. Turnover from social housing lettings

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Weekly maintenance contributions	-	320,243	320,243	304,940
Less: losses from voids		(9,736)	(9,736)	(16,066)
		310,507	310,507	288,874
Social housing grant utilised in year	-	21,713	21,713	21,713
	-	332,220	332,220	310,587
Total 2019	-	*310,587*	*310,587*	

Accommodation in management

	2020	2019
Housing for older people	69	69

4. Investment income

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Listed investments	5,641	42,002	47,643	57,330
Investment properties	-	26	26	17
Cash	70	138	208	523
	5,711	42,166	47,877	57,870
Total 2019	*6,900*	*50,970*	*57,870*	

5. Investment management costs

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment management fees	1,553	11,561	13,114	16,070
	1,553	11,561	13,114	16,070
Total 2019	*1,903*	*14,167*	*16,070*	

6. Analysis of grants

	Grants to Institutions 2020 £	Grants to Individuals 2020 £	Total 2020 £	Total 2019 £
Almshouse & Chapel Branch	-	-	-	-
Relief in Need Branch	-	-	-	3,742
Education Branch	-	570	570	2,951
Faversham Heritage Fund & Henry Hatch Charity	3,000	-	3,000	4,755
Recreation Branch	-	-	-	2,550
	3,000	570	3,570	13,998
Total 2019	*12,716*	*1,282*	*13,998*	

7. Analysis of expenditure on charitable activities

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Almshouse & Chapel Branch	-	320,870	320,870	349,706
Relief in Need Branch	-	271	271	5,544
Education Branch	-	852	852	4,956
Faversham Heritage Fund & Henry Hatch Charity	3,100	-	3,100	7,123
Recreation Branch	-	145	145	3,077
	3,100	322,138	325,238	370,406
Total 2019	*7,123*	*363,283*	*370,406*	

8. Direct costs

	Almshouse & Chapel Branch	Relief in Need Branch	Education Branch	Recreation Branch	Heritage and Hatch Charity	Total 2020	Total 2019
	£	£	£	£	£	£	£
Rates	374	-	-	-	-	374	1,743
Insurance	20,850	-	-	-	-	20,850	19,899
Light & heat	7,319	-	-	-	-	7,319	6,803
Building repairs	118,334	-	-	-	-	118,334	147,232
Equipment repairs	12,138	-	-	-	-	12,138	10,558
Grounds upkeep	10,975	-	-	-	-	10,975	18,719
Wages and salaries	46,271	-	-	-	-	46,271	41,353
National insurance	1,476	-	-	-	-	1,476	1,770
Pension cost	731	-	-	-	-	731	498
Depreciation	10,501	-	-	-	-	10,501	13,463
	228,969	-	-	-	-	228,969	262,038
Total 2019	*262,038*	-	-	-	-	*262,038*	

9. Support costs

	Almshouse & Chapel Branch	Relief in Need Branch	Education Branch	Recreation Branch	Heritage and Hatch Charity	Total 2020	Total 2019
	£	£	£	£	£	£	£
Office	15,029	271	282	145	100	15,827	15,026
Wages and salaries	52,739	-	-	-	-	52,739	44,526
National insurance	6,016	-	-	-	-	6,016	1,916
Pension cost	1,390	-	-	-	-	1,390	-
	75,174	271	282	145	100	75,972	61,468
Total 2019	*59,893*	*446*	*453*	*211*	*465*	*61,468*	

10. Governance costs

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total 2020 £	Total 2019 £
Auditor's remuneration	533	9,847	10,380	8,460
Legal & professional fees	284	2,116	2,400	3,064
Trustee indemnity insurance	79	586	665	665
	896	12,549	13,445	12,189
Total 2019	*1,173*	*11,016*	*12,189*	

During the year ended 31 December 2020, the charity incurred the following governance costs:

£11,031 (*2019 - £9,029*) included within the table above in respect of the Almshouse & Chapel Branch.
£638 (*2019 - £835*) included within the table above in respect of the Relief in Need Branch.
£731 (*2019 - £957*) included within the table above in respect of the Education Branch.
£149 (*2019 - £195*) included within the table above in respect of the Recreation Branch.
£896 (*2019 - £1,173*) included within the table above in respect of the Faversham Heritage Fund and Henry Hatch.

11. Analysis of expenditure by expenditure type

	Staff costs 2020 £	Depreciation 2020 £	Other costs 2020 £	Total 2020 £	Total 2019 £
Investment management fees	-	-	13,114	13,114	16,070
Costs of raising funds	-	-	13,114	13,114	16,070
Almshouse & Chapel Branch	108,623	10,501	201,746	320,870	338,763
Relief in Need Branch	-	-	271	271	4,188
Education Branch	-	-	852	852	3,404
Faversham Heritage Fund & Henry Hatch Charity	-	-	3,100	3,100	5,220
Recreation Branch	-	-	145	145	2,761
Charitable activities	108,623	10,501	206,114	325,238	354,336
Expenditure on governance	-	-	13,445	13,445	12,189
	108,623	10,501	232,673	351,797	382,595
Total 2019	90,063	13,463	279,069	382,595	

12. Net income/(expenditure)

	2020	2019
	£	£
Operating surplus is stated after charging:		
Auditor's remuneration	10,380	8,460
Depreciation	10,540	13,463

No trustees received any remuneration during the year (2019 - £nil).
No trustees received any benefits in kind during the year (2019 - £nil).
No trustees received any reimbursement of expenses during the year (2019 - £nil).

The Clerk to the Trustees received emoluments of £48,044 (2019 - £42,044).

13. Staff costs

Staff costs for the year amounted to:

	2020	2019
	£	£
Wages and salaries	99,011	85,879
Social security costs	7,492	3,686
Pension costs	2,121	498
	108,624	90,063

The average number of persons employed by the charity during the year was as follows:

	2020	2019
	No.	No.
Scheme Manager (Part time)	2	1
Caretaker and cleaner	2	2
Administration	2	2
	6	5

No employee received remuneration above £60,000 (2019 – none).

14. Interest payable

	2020	2019
	£	£
On loans wholly or partly repayable in more than 5 years	16,727	16,832

15. Taxation

Factors affecting tax charge for the year

The Housing Association is a Registered Charity and is therefore exempt from liability to taxation on its income and capital gains.

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

16. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2020	2,967,086	183,909	3,150,995
Additions	-	23,213	23,213
At 31 December 2020	2,967,086	207,122	3,174,208
Depreciation			
At 1 January 2020	948,742	33,224	981,966
Charge for the year	2,998	7,503	10,501
At 31 December 2020	951,740	40,727	992,467
Net book value			
At 31 December 2020	2,015,346	166,395	2,181,741
At 31 December 2019	2,018,344	150,685	2,169,029

The above details relate to improvements and developments of the properties which were transferred on 1 January 2013 from Faversham United Municipal Charities and there are no records of the original cost of them.

They were funded by Housing Corporation Grants totalling £1,737,009.91 and Residual Mortgage Loans of £57,523 at an annual interest rate of 14% per annum over 30 years from 1 November 1982, and £190,465.24 at an annual interest rate of 9.375% per annum over 60 years from 1 October 1989. The balance was provided from the Charity's resources.

17. Investments

	2020	2019
	£	£
The market value of investments as at 31 December 2020 is as follows:		
IPS Growth Portfolio – 345,821.69 units (2019 - 386,707.6894)	640,116	699,168
IPS High Yield Income Portfolio – 1,166,590.47 units (2019 - 1,101,427.9846)	1,307,748	1,276,555
Charities Investment Fund ERF Scheme – 815 income units	168,048	153,026
Charities Investment Fund HRF Scheme – 598.05 income units (2019 – 840.96 income units)	123,314	157,901
	2,239,226	2,286,650
The cost of investments as at 31 December 2020 is as follows:		
IPS Growth Portfolio – 345,821.69 units (2019 - 386,707.6894)	477,587	533,328
IPS High Yield Income Portfolio – 1,166,590.47 units (2019 - 1,101,427.9846)	1,256,705	1,200,313
Charities Investment Fund ERF Scheme – 815 income units	64,117	64,117
Charities Investment Fund HRF Scheme – 598.05 income units (2019 – 840.96 income units)	51,439	72,236
	1,849,848	1,869,994
All investments held at 31 December 2020 are UK listed investments in managed funds.		
Market value at 1 January 2020	2,286,650	2,078,333
Additions	70,180	500
Disposals	(117,783)	(45,114)
Realised surplus	40,598	23,982
Unrealised surplus / (deficit)	(40,419)	228,949
Market value at 31 December 2020	2,239,226	2,286,650

18. Trade and other debtors

	2020	2019
	£	£
Social housing rent arrears	217	419
Prepayments and accrued income	86,774	19,292
	86,991	19,711

19. Creditors: amounts falling due within one year

	2020	2019
	£	£
Other loans	1,175	1,072
Accruals and deferred income	31,598	33,982
Deferred grant	21,713	21,713
	54,486	56,767

20. Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Deferred grant	1,042,194	1,063,907
Other loans	176,656	177,934
	1,218,850	1,241,841

21. Deferred income

	2020	2019
Balance brought forward	412	1,835
Released in year	(412)	(1,835)
Deferred during the year	790	412
Balance carried forward	790	412

22. Deferred grants

	2020	2019
Balance brought forward	1,085,620	1,107,333
Released in year	(21,713)	(21,713)
Balance carried forward	1,063,907	1,085,620

The deferred grant represents a capital grant received in 1980-84, 1988-91, 2003 and 2004-05 for the modernisation of the almshouses, building of new almshouses, replacing gas boilers and windows. The grant is being released over the estimated useful life of the property in association with FRS102.

23. Loans

	2020	2019
Amounts falling due within one year	1,175	1,072
Amounts falling due 1-2 years	1,300	2,200
Amounts falling due 2-5 years	4,000	3,450
Amounts falling due after more than 5 years	171,356	172,284
	177,831	179,006

Loans are secured over the assets concerned.

24. Statement of funds

Statement of funds – current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Designated funds						
Cyclical maintenance fund	53,613	-	(47,466)	52,779	-	58,926
Emergency repair fund	153,026	-	(51,955)	51,955	15,022	168,048
Housing redevelopment fund	159,727	-	-	(47,740)	13,159	125,146
Roof repair fund	25,000	-	-	-	-	25,000
Chapel heating fund	5,000	-	-	-	-	5,000
	396,366	-	(99,421)	56,994	28,181	382,120
General funds						
General funds	2,657,129	366,201	(241,411)	(19,514)	(19,069)	2,743,336
Education branch	19,705	4,612	(2,850)	(18,367)	(2,705)	396
Recreation branch	6,718	941	(552)	(4,723)	(552)	1,831
Relief in need branch	17,493	4,068	(2,014)	(14,391)	(2,361)	2,795
	3,097,411	375,821	(346,048)	-	3,495	3,130,478
Restricted funds						
Organ maintenance fund	3,518	-	-	-	-	3,518
Faversham Heritage Fund and Henry Hatch Charity	266,436	5,711	(5,549)	-	(3,315)	263,283
	269,954	5,710	(5,549)	-	(3,315)	266,801
Total of funds	3,367,365	381,532	(351,797)	-	179	3,397,279

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

24. Statement of funds (continued)

Statement of funds – prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
Designated funds						
Cyclical maintenance fund	36,804	11	(36,620)	53,418	-	53,613
Emergency repair fund	125,776	-	(63,815)	63,815	27,250	153,026
Housing redevelopment fund	169,218	-	-	(44,604)	35,113	159,727
Roof repair fund	25,000	-	-	-	-	25,000
Chapel heating fund	5,000	-	-	-	-	5,000
	361,798	11	(100,435)	72,629	62,363	396,366
General funds						
General funds	2,497,815	358,500	(258,299)	(70,664)	129,777	2,657,129
Education branch	1,706	5,503	(5,913)	-	18,409	19,705
Recreation branch	5,097	1,139	(3,272)	-	3,754	6,718
Relief in need branch	4,971	4,802	(6,380)	(1,965)	16,065	17,793
	2,871,387	369,955	(374,299)	-	230,368	3,097,411
Restricted funds						
Organ maintenance fund	2,688	830	-	-	-	3,518
Faversham Heritage Fund and Henry Hatch Charity	245,269	6,900	(8,296)	-	22,563	266,436
	247,957	7,730	(8,296)	-	22,563	269,954
Total of funds	3,119,344	377,685	(382,595)	-	252,931	3,367,365

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

24. Statement of funds (continued)

Summary of funds – current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Designated funds	396,366	-	(99,421)	56,994	28,181	382,120
General funds	2,701,045	375,821	(246,827)	(56,994)	(24,686)	2,748,359
	3,097,411	375,821	(346,248)	-	3,495	3,130,678
Restricted funds	269,954	5,710	(5,549)	-	(3,315)	266,801
	3,367,365	381,532	(351,797)	-	179	3,397,279

Summary of funds – prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
Designated funds	361,798	11	(100,435)	72,629	62,363	396,366
General funds	2,509,589	369,944	(273,864)	(72,629)	168,005	2,701,045
	2,871,387	369,955	(374,299)	-	230,368	3,097,411
Restricted funds	247,957	7,730	(8,296)	-	22,563	269,954
	3,119,344	377,685	(382,595)	-	252,931	3,367,365

25. Analysis of net assets between funds

Analysis of net assets between funds – current year

	Restricted funds 2020	Unrestricted funds 2020	Total funds 2020
	£	£	£
Tangible fixed assets	-	2,181,741	2,181,741
Fixed asset investments	230,627	2,008,599	2,239,226
Current assets	36,174	213,474	249,648
Creditors due within one year	-	(54,486)	(54,486)
Creditors due in more than one year	-	(1,218,850)	(1,218,850)
	266,801	3,130,478	3,397,279

Analysis of net assets between funds – prior year

	Restricted funds 2019	Unrestricted funds 2019	Total funds 2019
	£	£	£
Tangible fixed assets	-	2,169,029	2,169,029
Fixed asset investments	233,926	2,052,724	2,286,650
Current assets	36,028	174,266	210,294
Creditors due within one year	-	(56,767)	(56,767)
Creditors due in more than one year	-	(1,241,841)	(1,241,841)
	269,954	3,097,411	3,367,365

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

26. Reconciliation in net movement in funds to net cash flow from operating activities

	2020	2019
	£	£
Net income/(expenditure) for the year	29,914	248,021
Adjustments for:		
Depreciation charges	10,501	13,463
(Gains)/losses on investments	(179)	(252,931)
Dividends, interest and rents from investments	(47,877)	(57,870)
Loss on the sale of fixed assets	-	-
(Increase) / decrease in debtors	(67,280)	3,700
(Decrease) / increase in creditors	(24,097)	(10,950)
Net cash (used in)/by operating activities	(99,118)	(56,567)

27. Analysis of cash and cash equivalents

	2020	2019
	£	£
Cash in hand	162,657	190,583

28. Grant commitments

At the 31 December 2020 the charity had commitments as follows:

	2020	2019
	£	£
Within one year	11,000	3,000
Between one and two years	22,000	22,000
	33,000	25,000

29. Pension commitments

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 £2,121 (2019 - £498). Contributions totalling £nil (2019 - £nil) were payable to the fund at the balance sheet date.

30. Related party transactions

Cllr Simmons is a member of the Swale Borough Council. During the year lease payments were received totalling £1 (2018 - £1) from Swale Borough Council for a recreation park held by the charity. This is in respect of a long lease entered in 2010. The Councillors cannot use their position to their advantage. No monies were outstanding at the year end.

31. Leases arrangements

At the 31 December 2020 the charity had future incoming resources from non-cancellable lease agreements as follows:

	2020	2019
	£	£
Within one year	1	1
Between one and two years	1	1
Between two and five years	3	3
More than five years	34	35
	39	40