

Registered number 07568820
Charity number 1143234

**JOHN BOWLEY
AND SHERWOOD ALMSHOUSES
(A COMPANY LIMITED BY GUARANTEE)**

REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2020**

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

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JOHN BOWLEY AND SHERWOOD ALMSHOUSES

LEGAL AND ADMINISTRATIVE DETAILS

Company registration number	07568820
Charity registration number	1143234
Charity linked by uniting direction	210959
Trustees	Cllr R Wallace Mrs R I Braid Mr T S McNeice (Chairman) Mr A J Dunning Cllr R West Mrs P West Mr N Jones Cllr P Bingham Ms R Shoob (appointed on 20 January 2021)
Company secretary	Mrs T Pearson
Scheme manager	Mrs T Pearson
Registered office	Henwood House Henwood Ashford Kent TN24 8DH
Bankers	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Auditors	Magee Gammon Corporate Limited Henwood House Henwood Ashford Kent TN24 8DH

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

Constitution

The John Bowley and Sherwood Almshouses Charity (charity number 210959) was constituted under a scheme document dated 14 March 2007. During the year ended 31 December 2012, the trustees undertook the process of incorporation and all assets and liabilities of the charity, except those relating to donations made under permanent endowment, were transferred to the new corporate body (company registration number 07568820).

The corporate charity, also known as John Bowley and Sherwood Almshouses, was registered with the Charity Commission and issued with a new charity number, 1143234. John Bowley and Sherwood Almshouses (charity number 1143234) is constituted under a Memorandum of Association dated 17 March 2011.

The assets donated to John Bowley and Sherwood Almshouses (charity number 210959) under permanent endowment remain in that charity. Under a uniting direction, John Bowley and Sherwood Almshouses (charity number 210959) is linked to John Bowley and Sherwood Almshouses (charity number 1143234) as a constituent charity (charity number 1143234). The financial statements therefore reflect the financial transactions relating to both charities.

The John Bowley and Sherwood Almshouses is a Registered Social Landlord.

Trustees and Governance

The charity is overseen by the trustees, who meet at least four times a year. They make all decisions regarding the conduct of the charity but the day-to-day administration is undertaken by the scheme manager. Resident representatives from John Bowley House and the Sherwood Trust Homes attend the quarterly trustees' meetings. The trustees who served during the year were as follows:

Mrs Rosemary Braid –co-opted

Cllr Anthony Dunning -co-opted

Mr Thomas McNeice –co-opted

Cllr Roger West *

Mrs Pat West – co-opted

Cllr Richard Wallace*

Mr Neil Jones *

Cllr Paul Bingham *

Ms Rebecca Shoob – co-opted

Appointment of trustees

Under the Memorandum of Association dated 17 March 2011, the minimum number of trustees permitted is four, but there is no maximum. The trustees and members (as defined in the Memorandum of Association) have the power to appoint new trustees. There were four nominated trustees (marked * above) appointed by Folkestone Town Council, although there was no requirement for them to be town councillors. There were five co-opted trustees appointed by the trustees. On joining the board, trustees are given copies of the Memorandum of Association, the Scheme Document, Good Governance A code for the Community and Voluntary Sector and minutes of recent trustees meetings.

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

Misconduct

The trustees have no financial interest in the conduct of the charity. Other interests, which may arise from time to time, such as the appointment of a relative of a trustee as a resident, are provided for in detailed Regulations that are reviewed and approved by The Tenant Services Authority. All affairs and transactions of the trustees are open to public scrutiny with the exception of the personal affairs of residents. All accounts are prepared and scrutinized by qualified accountants and independent auditors.

Objectives of the charity for the public benefit

The objectives of the charity are the provision of housing accommodation for persons in need, hardship or distress residing or having immediate family residing in or near Folkestone, with a preference for those who are members of the Church of England. Those persons in need may be Individuals of either sex, or a couple without discrimination towards civil partnerships.

The trustees confirm that they have referred to the advice contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aim and objectives, and in planning future activities.

Achievement and Performance 2020

- The Trustees focussed this year on keeping all the residents safe at their properties because of the COVID 19 crisis. The Trustees supplied sanitiser, washable face coverings and surface cleaner in all their properties and introduced tighter controls for visitors to all the properties.
- The Trustees were able to update the last two kitchens and replace the last two elson tanks at John Bowley House with unvented cylinders before the COVID crisis started and through the summer months were able to replace one 1 bathroom floor and 2 windows. The removal of the Elson tanks over the past few years was a great achievement for the charity because they were costly for residents to run, even though they were on economy 7, and required frequent repairs because of leaking pumps and scaled up heating elements.
- The trustees continued to work on improvements to the gardens. The trustees replaced more of the loose coping stones and added new trellis at the bungalows to screen the properties and provide more habitat for wildlife.
- Many residents were involved with gardening tasks this summer as a welcome distraction from the crisis and were able to meet their families in the gardens.
- The residents at John Bowley House have continued adapting the planting scheme in the wildlife area to attract more beneficial insects and birds.
- John Bowley House is involved with the Cheriton Christmas lights 2020.
- The charity continued to provide affordable accommodation for people in Folkestone allowing residents to remain close to family members and friends. The demand for affordable one and two bed properties in Folkestone and Hythe is high and people are increasingly having to move to less expensive parts of the country.

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

Plans for 2021 at John Bowley House

i) Buildings

- The Trustees intend to update 4 bathrooms with modern shower rooms in 2021 subject to the agreement of the residents living in the properties.
- The trustees intend to replace the remaining 11 electric storage heaters at the flats with modern controllable wall mounted electric heaters. Very few residents use the existing storage heaters because of the costs and problems heating the property when needed. The trustees hope the residents will be able to benefit from more competitive electricity prices and a better EPC rating.
- The Trustees will also continue on the program of works to replace faulty double glazed windows as needed to cut draughts and reduce overall heating costs.

ii) Community Links and Environment

- The Trustees hope to continue working with the organisers of the Cheriton Lights Festival, the Cheriton Christmas lights and 'Incredible Edible Cheriton and Broadmead' to grow edible food in the gardens at John Bowley House.
- It is hoped work with Kent Wild About Gardens can resume in 2021.
- If meetings remain on zoom, the trustees will look strategies to involve residents in trustees' meetings again. Until early 2020, residents' representatives from both properties attended trustees' meetings.

Plans for 2021 at the Sherwood Trust Homes

i) Buildings

- The Trustees intend to replace the front doors at the bungalows with composite doors to make the properties warmer and more secure. This has been partially funded by a grant from the Screwfix Foundation.
- The bungalows will be repainted
- Money will be held in reserve to improve the properties as vacancies arise.

ii) Community Links and Environment

- In the gardens, the Trustees will focus on measures to block noise and pollution from the nearby road, improve planting to the wildlife pond area and to replace the remaining coping stones on the raised beds.
- The Trustees will continue to support Folkestone and Hythe District Council maintaining their adjoining land for the benefit of wildlife.

Financial review

The charity is mainly funded by the weekly maintenance contributions receivable for the letting of the twelve flats at John Bowley House, and the four bungalows at Sherwood Trust Homes. The total weekly maintenance contributions received during the year amounted to £96,456 an increase of £4,316 over the prior year.

John Bowley House weekly maintenance contributions at the end of the year stood at £109.12 per week for each of the eight single bedroom flats and £120.15 for each of the four two-bedroom flats. For Sherwood Trust Homes, the weekly maintenance contributions for each of the four bungalows at the end of the year stood at £95.54 or £109.12 per week (depending on the property). These figures exclude the 'Intensive Housing Management' (non-rent element) charge subsidized from Housing Benefit.

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

Policy on reserves

In accordance with the formal reserves policy, the charity sets aside money in an extraordinary repair fund and a cyclical repair fund. Reserves are being held to pay for any large, unexpected building costs, such as window upgrades, updating heating systems and measures required to combat climate change. The charity maintains reserve funds to meet unforeseen expenditure at least equivalent to one month's income. As balances permit, it seeks to add to its funds, which are invested in appropriate stocks in accordance with the National Scheme for Almshouses to meet long term capital replacement costs.

Investment policy

The charity maintains no investments other than those referred to under the "Policy on Reserves".

Major risks

The charity provides two Almshouse buildings, which are usually occupied fully by residents that it appoints in accordance with the criteria laid down. Risks are those typically associated with the buildings, those arising from the conduct of its appointed residents, and those from the misconduct of the administrator, the scheme manager and the trustees. In these matters, the trustees are subject to regulation and annual scrutiny by The Regulator for Social Housing and the Charity Commission.

Building risks

The charity has comprehensive insurance cover to provide for risks to the fabric of the buildings and the replacement of fixtures and fittings damaged, other than by normal wear and tear, along with specific insurance cover for the scooter shed at John Bowley House. The quinquennial inspection was undertaken in 2017 and the insurance is kept under review. The trustees' insurances include cover for legal costs arising from actions which may be brought against them and risks to third parties.

Residents' risks

On appointment, residents are required to sign an agreement, in a form common to Almshouses in the United Kingdom, setting out the limits of their personal liability and restrictions on their use of the property so that the interests of the trustees and other residents may be protected. Residents are advised to take out insurance for their own belongings.

In more recent years one of the major risks is from residents who are increasingly frail or who have dementia. The John Bowley and Sherwood Almshouses do not have the resources to care for people as they become more frail and support for these people in the community is limited.

Value for Money (VFM)

1. Introduction

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.

2. Our corporate objectives & how we measure success

Our strategic objectives aim to deliver our social purpose. The objectives therefore reflect the value we are seeking to maximise in the context of VFM. To measure our success, we have set metrics against our objectives:

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

- **Provide good quality, safe, secure housing**
 - Improvement to EPC ratings (C rating minimum requirement)
 - Response time for Emergency repairs (within 24 hours)
 - Health and safety compliance metrics (Gas safety checks, LOLER inspections, fixed wiring checks, PAT testing, fire alarm tests/ lifeline checks and rectifying problems)
 - Affordable weekly maintenance charges compared to market rentals.
- **Support Dignity and independence**
 - Number of residents living independently in the almshouses
 - Number of residents maintaining their independence with the aid of families and carers
 - Residents views taken into account and involvement in decision making - Resident attendance at trustees' meetings
- **Community Investment-making communities work by improving the local quality of life**
 - Active involvement of the almshouses in community events
 - Resident and family satisfaction surveys
 - Feedback from partner organisations

3. Our approach to investment

Key contextual considerations frame our approach to investing in our objectives. They include:

- The residents of the John Bowley and Sherwood Almshouses are all aged 60 or over. Safety of residents is paramount, and trustees work tirelessly to ensure the buildings are well maintained and safe.
- There is a high demand for these properties in the area, because the weekly charges are lower than the market rents for comparable properties. In most cases the weekly maintenance charges are covered fully by Housing Benefit.
- The trustees have been working hard to update the properties over the past few years and in the main there would be little work to do on any of them if they became vacant.
- Raising the EPC bandings might be the most challenging thing to address until the properties are empty.
- Maintaining a list of suppliers and contractors who offer a good service and value for money can be a challenge.
- Residents' feedback about/ requests for long term repairs is normally considered at trustees' meetings, with residents' representatives in attendance. Since March meetings have moved to Zoom and attendance by residents has been impossible.
- The charity holds limited reserves for emergencies- so only limited large scale projects can be implemented annually.

Appertaining to these considerations, our approach to investing in our objectives is as follows:

- a) To maintain existing stock and services.
- b) Ensure the safety and security of residents and properties.
- c) Regularly review and implement environmental measures to reduce CO2 emissions and use of harmful products.

4. Measuring VFM

Our strategic success measures above are key to us understanding our value as expressed by outputs and outcomes. However, to fully understand VFM, we use a wider set of indicators. It helps us understand not only what we are achieving but how well the delivery system is working. It incorporates our strategic metrics and targets, as well as RSH metrics.

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

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	Global accounts of RPs- 2019 entity
Reinvestment %	Yes	0%	0%	4.4%	-	-
New supply delivered %	Yes	0%	0%			
New social housing supply	Yes	0%	0%	0.6%	-	-
New non- social housing supply	Yes	0%	0%	0.0%	-	-
Gearing % – debt as a percentage of assets	Yes	0%	0%	34.1%	-	-
EBITDA MRI Interest Cover %	Yes	0%	0%	194%	-	-
Headline social housing cost per unit %	Yes	£4,924	£5,984	4.88%	-	-
Operating margin % - social housing	Yes	38.4%	36.2%	23.3%	-	-
Operating margin % - overall	Yes	38.4%	36.2%	-	25.8%	-
Return on capital employed (ROCE) %	Yes	4.5%	4.0%	-	3.8%	-
Average WMC increases compared to other registered providers nationally	No	2.7%	1.5%	-	-	13.1%
Rent Loss from Voids	No	0%	5%	-	-	1.5%
Bad debts for the year		£Nil	£Nil	-	-	0.8%
Tenant arrears		0%	5%	-	-	4.7%
Turnover RSL		£98,775	£97,005	-	-	15.2%
EPC Rating C and above (2014)	No	62.5%	100%	-		
Resident participation in decision making (attendance at trustee meetings)	No	25%	50%	-		
Emergency Repairs dealt within 24 hours	No		100%	-		
Response to telephone calls from residents within 24 hours- includes Lifeline			100%			
Emotional well being of residents- has living at the almshouses improved the quality of life of residents						
Overall Maintenance of Buildings and gardens (as judged by residents)						

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

5. Our VFM performance in 2020/21

The VFM dashboard in section 4 identifies the VFM targets for 2020/2021 against our strategic objectives.

Overall the charity performed well against global account metrics. The charity uses its resources to maintain the properties to a high standard rather than acquiring new units and this strategy is unlikely to change in 2021. Most income is derived from Housing Benefit and paid direct to the landlord. The charity has focussed on bringing properties up to the Decent Homes Standard over the past year replacing the remaining kitchens, bathrooms, unvented cylinders and faulty double glazing units.

The charity would like to work on improving EPC ratings. Significant improvements may be hard to achieve until properties are vacant or the technology is better understood and more affordable. That said it may be advisable to have the properties reassessed as recommendations given in 2014 may be out of date and since 2014 the properties have been updated.

Resident involvement in trustees meeting was hampered in 2020 because of the COVID pandemic and this is likely to continue into 2021 because the residents do not have access to the required technology and training to participate through zoom.

Residents' opinions about life in the almshouses were invited via a survey in February 2021. Overall residents were happy. Trustees acknowledged the need to continue improving properties.

6. VFM targets going forward

Our forward targets are set out in the table at section 4. Some of these may be impacted by Brexit and COVID.

- Filling vacancies, if they arise in 2021, may be a challenge because of COVID. Trustees will need to take great care meeting prospective beneficiaries.
- Maintaining properties will a continued priority for trustees. Although all the properties, aside from one, are lettable in their current condition trustees will endeavour to make upgrades to all for the benefit of the residents, focussing on their needs as their circumstances change.
- Improving EPC ratings will be dependent on achievable progress impacted by Covid, Brexit and supply. See previous paragraph
- Resident involvement at meetings will continue to depend on being able to meet up in person. This may improve when restrictions lift or there is some success from the roll out of the vaccine.
- Maintaining resident wellbeing will be a challenge through the current crisis and trustees will do their best to alleviate isolation.

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of Trustees' Responsibilities

The registered housing legislation 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 surplus or deficit for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed,
- subject to any material departures disclosed and explained in the financial statements;
- and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the financial statements comply with the Housing and Regeneration Act 2008 and The Accounting Direction for Social Housing in England from April 2015. The trustees have general responsibility for taking reasonable steps to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure of information to auditors

We, the trustees of the charity who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

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

This report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

The trustees report was approved by the trustees on 14 July 2021 and signed on their behalf by:



Mr T S McNeice
Trustee



Mrs R I Braid
Trustee

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF JOHN BOWLEY AND SHERWOOD ALMSHOUSES (continued)

Opinion

We have audited the financial statements of John Bowley and Sherwood Almshouses (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.

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.

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF JOHN BOWLEY AND SHERWOOD ALMSHOUSES (continued)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters 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.

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:

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF JOHN BOWLEY AND SHERWOOD ALMSHOUSES (continued)

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.

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 (Accounts and Reports) Regulations 2008 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the charity's 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

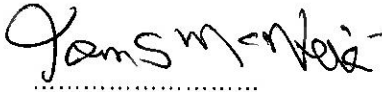
Date: 5 August 2021

JOHN BOWLEY AND SHERWOOD ALMSHOUSES


STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020		2019
		£	£	£
Turnover	3	98,775		94,459
Operating expenditure				
Management expenses	4	39,937	35,462	
Repairs and maintenance		18,461	17,644	
Service costs	5	5,129	4,625	
		<u>(63,527)</u>		<u>(57,731)</u>
		35,248		36,728
Other income	6	2,721		1,000
		<u>37,969</u>		<u>37,728</u>
Operating surplus	8			
Interest receivable and other income	7	804		960
		<u>38,773</u>		<u>38,688</u>
Surplus for the year				
Revaluation of investments	13	416		5,771
		<u>39,189</u>		<u>44,459</u>
Total comprehensive income for the year				

On behalf of the trustees:



Mr T S McNeice
 Trustee



Mrs R I Braid
 Trustee

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Revenue Reserves £	Designated Reserves £	Restricted Funds £	Total £
Balance at 1 January 2020	388,938	203,000	50,449	642,387
Surplus / (deficit) from statement of comprehensive income	45,582	(7,801)	1,408	39,189
	434,520	195,199	51,857	681,576
Transfer between funds	(7,801)	7,801	-	-
Balance at 31 December 2020	426,719	203,000	51,857	681,576

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

STATEMENT OF FINANCIAL POSITION AS AT ENDED 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible fixed assets	12		735,823		726,714
Investments	13		47,163		40,747
			<u>782,986</u>		<u>767,461</u>
Current assets					
Trade and other debtors	14	5,524		10,794	
Cash and cash equivalents		<u>76,822</u>		<u>41,783</u>	
		82,346		52,577	
Creditors: amounts falling due within one year	15	<u>(12,126)</u>		<u>(9,702)</u>	
Net current assets			<u>70,220</u>		<u>42,875</u>
Total assets less current liabilities			<u>853,206</u>		<u>816,336</u>
Creditors: amounts falling due after more than one year	16		<u>(171,630)</u>		<u>(173,949)</u>
Total net assets			<u><u>681,576</u></u>		<u><u>642,387</u></u>

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

STATEMENT OF FINANCIAL POSITION (continued) AS AT YEAR ENDED 31 DECEMBER 2020

	Notes	2020	2019
		£	£
Reserves			
Revenue reserve		426,719	388,938
Designated reserves	19	203,000	203,000
Restricted reserves	18	51,857	50,449
		<hr/>	<hr/>
		681,576	642,387

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

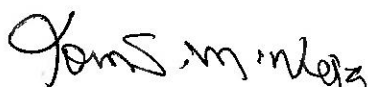
For the year in question, the charitable company was entitled to exemption from an audit under section 477 of the Companies Act 2006.

The members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with the section 476 of the Act.


The trustees/directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

These financial statements were approved by the trustees and authorised for issue on 14 July 2021.

On behalf of the trustees:



Mr T S McNeice
Trustee


Mrs R I Braid
Trustee

Company Registration No. 07568820
Charity Registration No. 1143234

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020	2019
		£	£
Net cash generated from operating activities	20	50,908	41,170
Cash flow from investing activities			
Purchase of tangible fixed assets		(15,909)	(55,377)
Interest received		40	62
		<u>35,039</u>	<u>(14,145)</u>
Cash flow from financing activities			
Interest paid		-	-
Repayment of borrowings		-	-
		<u>-</u>	<u>-</u>
Net change in cash and cash equivalents		35,039	(14,145)
Cash and cash equivalents at beginning of the year		41,783	55,928
Cash and cash equivalents at end of the year		<u>76,822</u>	<u>41,783</u>

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies

1.1 Basis of preparation

The charity is incorporated under the Companies Act 2006. The charity is a registered charity in accordance with the Charities Act 2011 and is a registered provider of social housing. The charity constitutes a public benefit entity as defined by FRS102.

The financial statements have been prepared in accordance with applicable United Kingdom financial reporting standards, the Housing SORP 2018; Statement of Recommended Practice for social housing providers, and with The Accounting Determination for Social Housing in England from September 2018. The accounts are prepared in accordance with the historical cost basis of accounting except as modified by the revaluation of investments and certain fixed assets.

1.2 Fund accounting

Revenue reserves are unrestricted reserves 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 reserves are part of unrestricted reserves which have been earmarked by the trustees for a particular purpose. Such designations may be reversed by future trustees' decisions. Expenditure cannot be directly set against designated reserves but is taken through the income and expenditure account. A transfer is then made from designated reserves as appropriate.

Restricted reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Restricted reserves include funds raised in response to a specific appeal. Expenditure cannot be directly set against restricted reserves but is taken through the income and expenditure account. A transfer from restricted reserves is then made as appropriate.

Where a restricted reserve is represented by assets that are then revalued, the revaluation element is added to the restricted reserve.

1.3 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.

Maintenance contributions receivable, including Supporting People income, are included in turnover, net of losses from voids.

Social Housing Grants relating to assets are recognised as income on a systematic basis over the expected life of the assets. The income arising is included in turnover.

Land donated or transferred at a price less than its open market value is included at its current value on the date it is received. The difference between the current value and the transfer price is taken to the property valuation reserve.

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

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1.5 Fixed assets

At each balance sheet date, the trustees review the carrying amounts of the charity's freehold property and fixtures and fittings to determine whether there is any indication that any assets have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The impairment loss is recognised as expense in the SOFA immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. The reversal of an impairment loss is recognised as income in the SOFA immediately.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Housing properties	Not depreciated
Housing property improvements	Not depreciated
Fixtures, fittings and equipment	15% straight line basis

1.6 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The net gains and losses arising on revaluation and disposals throughout the year are included in the SOFA.

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.

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.9 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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.

2. Units in management

	Units at start	Units at end
Supported housing and housing for older people	16	16

3. Turnover

	2020 £	2019 £
Weekly maintenance contributions	96,456	92,140
Social housing grant utilised in year	2,319	2,319
	<u>98,775</u>	<u>94,459</u>

4. Management expenses

	2020 £	2019 £
Water rates	(52)	(19)
Light and heat	1,824	852
Insurances	2,597	2,562
Cleaning	3,024	1,844
Telephone	380	603
Administration	25,364	23,972
Depreciation	6,800	5,648
	<u>39,937</u>	<u>35,462</u>

5. Service costs

	2020 £	2019 £
Audit and accountancy	3,599	3,302
Subscriptions	729	571
Professional fees	801	752
	<u>5,129</u>	<u>4,625</u>

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

6. Other income

	2020	2019
	£	£
Non-government grants and donations	2,721	1,000

7. Interest receivable and other income

	2020	2019
	£	£
Dividends received	764	898
Bank interest received	40	62
	803	960

Notional dividends only are declared on the holding of BlackRock Charities UK Bond Fund A Accumulation Shares. The dividend is not distributed but is retained within the fund to increase the value of the shares. The amounts so treated during the year were £513 (2019 - £651).

8. Operating surplus

	2020	2019
	£	£
Operating surplus as stated after charging:		
Auditor's remuneration	3,599	3,302
Depreciation	6,800	5,648

9. Auditors' remuneration

	2020	2019
	£	£
Fees payable for the audit of the charity's financial statements	3,599	3,302
Fees payable for other services	801	752

10. Staff costs

During the year, the charity continued to employ a part-time Clerk working 27 hours (2019 – 27 hours) per week. No employee received remuneration above £60,000 (2019 – none).

Staff costs for the year amounted to:

	2020	2019
	£	£
Wages and salaries	18,739	17,934
Pension costs	370	321
	19,109	18,255

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

11. Trustees' remuneration, expenses and transactions with related parties

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).

At 31 December 2020, four trustees were councillors of Folkestone Town Council. All transactions with Folkestone Town Council were on an arms length basis, and none of the trustees were able to use their position to their advantage.

None of the trustees or other persons related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2019 - £nil).

12. Tangible fixed assets

	Housing property improvements £	Housing properties for letting £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 January 2020	154,896	548,967	42,273	-	746,136
Additions	12,259	-	3,000	650	15,909
At 31 December 2020	167,155	548,967	45,273	650	762,045
Depreciation					
At 1 January 2020	-	-	19,422	-	19,422
Charge for the year	-	-	6,773	27	6,800
At 31 December 2020	-	-	26,195	27	26,222
Net book value					
At 31 December 2020	167,155	548,967	19,078	623	735,823
At 31 December 2019	154,896	548,967	22,851	-	726,714

A formal valuation of John Bowley House was carried out in October 2010 at which time the market value was estimated at £1,100,000. No formal valuation has been prepared for Sherwood Trust Homes but the trustees are of the opinion the market value is unlikely to be less than £500,000.

Housing properties for letting includes £49,850 in respect of donated land and buildings which remain the property of John Bowley and Sherwood Almshouses (charity number 1143234-1, formerly 210959). In accordance with guidance issued by the Charity Commission, the transactions are reflected in the account of John Bowley and Sherwood Almshouses (charity number 1143234) as the constituent charity under a uniting direction.

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

13. Investments

	2020 £	2019 £
The market value of investments as at 31 December 2020 is as follows:		
M&G: Charity Multi Asset Fund – 843 income units	706	762
BlackRock: Charities UK Bond Fund A – 309.166 accumulation units	17,001	15,919
BlackRock: Charities UK Bond Fund A – 720 income units	1,418	1,372
BlackRock: Charities UK Equity Fund A – 2,753.536 income units	17,774	19,049
COIF: 571 income units	10,264	9,645
	<hr/> 47,163	<hr/> 46,747

The cost of investments as at 31 December 2020 is as follows:

M&G: Charity Multi Asset Fund – 843 income units	732	732
BlackRock: Charities UK Bond Fund A – 309.166 accumulation units	15,965	15,965
BlackRock: Charities UK Bond Fund A – 720 income units	1,376	1,376
BlackRock: Charities UK Equity Fund A – 2,753.536 income units	18,105	18,105
COIF: 571 income units	6,659	6,659
	<hr/> 42,837	<hr/> 42,837

All investments held at 31 December 2020 are UK listed investments in managed funds.

Market value at 1 January 2020	46,747	40,976
Additions	-	36,178
Disposals	-	(36,178)
Realised surplus	-	3,383
Unrealised surplus / (deficit)	416	2,388
	<hr/> 47,163	<hr/> 46,747

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

14. Trade and other debtors

	2020	2019
	£	£
Arrears of maintenance contributions	2,329	7,742
Prepayments and accrued income	3,195	3,052
	<u>5,524</u>	<u>10,794</u>

15. Creditors: amounts falling due within one year

	2020	2019
Accruals and deferred income	11,738	9,302
Other creditors	388	400
	<u>12,126</u>	<u>9,702</u>

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

	2020	2019
	£	£
Accruals and deferred income	171,630	173,949

17. Deferred income

	2020	2019
Balance brought forward	173,949	176,268
Released in year	(2,319)	(2,319)
	<u>171,630</u>	<u>173,949</u>

Deferred income represents a capital grant received for the construction of John Bowley House. The grant is being released over the estimated useful life of the property in accordance with FRS 102.

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

18. Restricted reserves

	Property valuation reserve £	The Screwfix Foundation £	Tesco Bags of Help £	Total £
At 1 January 2020	49,850	-	599	50,449
Surplus / (deficit) for the year	-	2,007	(599)	1,408
Transfer between funds	-	-	-	-
At 31 December 2020	49,850	2,007	-	51,857

Property valuation reserve

The land and buildings were donated to the charity under permanent endowment. The restrictions placed upon the donations are therefore applied to the revaluation of the donated property.

Due to the restrictions on the original donations, the land and building and the related revaluation remain in the unincorporated charity known as John Bowley and Sherwood Almshouses (charity number 1143234-1, formerly 210959). In accordance with guidance issued by the Charity Commission, the transactions are reflected in the account of John Bowley and Sherwood Almshouses (charity number 1143234) as the constituent charity under a uniting direction.

The Screwfix Foundation

A donation of £2,721 was received in the year, this is to be used to fix, repair, maintain and improve the Almshouse properties.

Tesco Bags of Help

A grant of £1,000 was received in the previous year towards the gardens of John Bowley House, and the balance has now been fully expended.

19. Designated reserves

	Cyclical maintenance fund £	Extra- ordinary repair fund £	Total £
At 1 January 2020	30,000	173,000	203,000
Deficit for the year	(7,801)	-	(7,801)
Transfers between funds	23,060	-	23,060
Transfers for capital spend	(15,259)	-	(15,259)
At 31 December 2020	30,000	173,000	203,000

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

20. Note to the statement of cash flows

	2020	2019
	£	£
Cash flow from operating activities		
Surplus for the year	38,773	38,688
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	6,800	5,648
Increase in trade and other debtors	5,270	(1,306)
Increase in trade and other creditors	2,424	521
Government grants utilised in the year	(2,319)	(2,319)
Interest received	(40)	(62)
	<u>50,908</u>	<u>41,170</u>