

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 2021**

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

CONTENTS

	Page
Legal and administrative information	1
Trustees' report	2 – 11
Independent auditors' report	12 – 14
Statement of comprehensive income	15
Statement of changes in reserves	16
Statement of financial position	17 - 18
Statement of cash flows	19
Notes to the financial statements	20 – 28

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 (resigned 10 October 2021) Cllr R West Mrs P West Mr N Jones Cllr P Bingham Ms R Shoob (appointed on 20 January 2021) Mr D Burton (appointed on 14 October 2021) Mrs J Todd (appointed 14 October 2021) Mr S Ind (appointed 17 February 2022)
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 2021

The trustees present their report and financial statements for the year ended 31 December 2021.

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 2021, 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)
Mr Anthony Dunning (co-opted)
Mr Thomas Mc Neice (co-opted)
Cllr Roger West *
Mrs Pat West (co-opted)
Cllr Richard Wallace*
Mr Neil Jones *
Cllr Paul Bingham *
Cllr Rebecca Shoob (co-opted)
Mr David Burton (co-opted)
Mrs Jennifer Todd (co-opted)
Mr S Ind (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 seven co-opted trustees appointed by the trustees.

The trustees adopted the Almshouses Association Policy on the Induction and Training of New Trustees in 2021. 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, the latest audited accounts, the latest budget report, and minutes of recent trustees' meetings.

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

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.

Achievements and Performance during 2021

A. Achievement and Performance 2021

i) Wellbeing of residents

There is a deliberate policy not to arrange regular visits because, as Landlords, we respect the autonomy of residents and judgment is made with this regard to maintain contact but in a non-intrusive manner.

The Trustees, however, continued to support residents through another difficult year because of the ongoing Covid 19 crisis. Several trustees made contact by telephone and by visiting residents to check all was well and that they were happy with facilities. This was in addition to the regular monitoring that the Scheme Manager completed. The Residents' Representatives performed a significant role in checking that their co-residents were well and happy and reported to the Scheme Manager accordingly. Both residents' representatives attended the October Trustees' meeting.

Due to the Covid Pandemic there has not been a social event arranged by residents to show their appreciation to the trustees in 2021. Trustees are proud to have been acknowledged in this way prior to the pandemic.

The Trustees worked with the John Bowley House residents to create a private seating area in the communal gardens as well as encouraging residents to make the areas on public view more attractive with hanging baskets and planters. The gardens have been well used since the government imposed covid lockdowns and have provided a haven for the residents. The 'Donation Station' in Cheriton supplied the residents with DVDs and puzzles and 'Incredible Edible Cheriton and Broadmead' and the local hardware shop donated plants for the gardens.

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 remains high.

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

ii) Wildlife and the environment

The residents at the Sherwood Trust Homes and John Bowley House have continued adapting the planting schemes to attract more beneficial insects, mammals, and birds. John Bowley House now provides a haven for frogs, field mice and sparrows. Hedgehogs, woodpeckers, and foxes have been sighted at the Sherwood Trust Homes.

Permaculture principles have been applied to managing the gardens with the addition of fruit trees, fruit bushes, herbs, composting areas, and water collection from the roofs. Toxic chemicals are not used in the gardens to control pests and weeds.

The Scheme Manager travels between the properties for work purposes only on foot, bike, and public transport to keep the travel carbon footprint as low as possible.

Toxic cleaning materials were replaced in the communal areas of John Bowley House with refillable eco cleaning 'Miniml' products supplied in glass bottles locally.

The charity uses local shops and services wherever possible.

iii) Community Cohesion

2021 was the first year of growing hops on both sites for Hythe Hops. 500 grams of hops were collected in September from John Bowley House gardens for brewing and were made into Docker's 'Red Green Hop ale' and Hop Fuzz's 'Hop Fuzz and Green Bullion'.

John Bowley House participated in the Cheriton Christmas lights 2021.

iv) Buildings

One bungalow was updated and relet, when it became vacant. Remedial measures were undertaken to bring all the Sherwood Bungalows up to a 'level C' EPC rating. This included replacing the draughty front doors with modern composite doors, adding loft insulation, updating boiler controls, and replacing windows. New composite doors were funded partly from a grant from the Screwfix Foundation.

The electrical circuits for the lift were upgraded and all the smoke and heat detectors were updated at John Bowley House.

B. Plans for 2022 at John Bowley House

i) Buildings

The trustees aim to update 4 bathrooms with modern shower rooms in 2022 subject to the agreement of the residents living in the properties.

The trustees will implement measures to improve EPC ratings and ensure the carbon footprint for the charity is minimised. They will continue to research the options for updating the dated storage heaters in the flats at John Bowley House. Very few residents use the existing economy 7 storage heaters because of problems with controlling the heating. Currently there are few choices of heating which would offer instant heat and be cheap for residents to run.

The trustees will continue the program of works to replace faulty double glazed as needed to cut draughts and reduce overall heating costs.

ii) Community Links and Environment

The Trustees will continue working with the organisers of the 'Cheriton Lights Festival', 'the Cheriton Christmas lights' and 'Incredible Edible Cheriton and Broadmead'. It is hoped work with Kent Wild About Gardens will resume in 2022. The trustees will in any case continue to maintain the communal gardens for the benefit of the residents, local people and wildlife.

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

C. Plans for 2022 at the Sherwood Trust Homes

i) Buildings

Money will be held in reserve to improve the properties as vacancies arise. The bungalows will be repointed and dated internal critical windows and doors will be replaced.

ii) Community Links and Environment

In the gardens, the Trustees will continue to focus on measures to block noise and pollution from the nearby road. This includes replacing the remaining coping stones on the raised beds.

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 £96,636 an increase of £180 over the prior year.

John Bowley House weekly maintenance contributions at the end of the year stood at £110.76 per week for each of the eight single bedroom flats and £121.95 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 £96.97, £110.76 or £126 per week (depending on the property). These figures exclude the 'Intensive Housing Management' (non-rent element) charge subsidized from Housing Benefit.

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.

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

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 frailer 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 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.

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:

- **Provide good quality, safe, secure housing**
 - Improve EPC ratings (Whilst properties can only be rented if they have a A to E rating minimum requirement, the Trustees are keen to lower the CO2 footprint of the buildings)
 - Ensure the response time for emergency repairs is within 24 hours
 - Health and Safety compliance metrics (Up to date 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.
 - Availability on a lifeline warden call service for all residents.
- **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 in community events and projects
 - Resident and family satisfaction surveys
 - Feedback from partner organisations

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

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.
- Maintaining a list of suppliers and contractors who offer a good service and value for money can be a challenge.
- Residents' feedback and suggestions are normally considered at trustees' meetings, with residents' representatives in attendance. Only one meeting was held in person in 2021 allowing residents to attend.
- 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 2021

a. Value for Money Metrics

Metric	RSH metrics	Actual 2021	Target 2022	Global accounts median 2020 Less than 2500 units
Reinvestment %	Yes	0%	0%	5.6%
New supply delivered %	Yes	0%	0%	
New social housing supply	Yes	0%	0%	0.7%
New non- social housing supply	Yes	0%	0%	0%
Gearing % - debt as a % of assets	Yes	0%	0%	34.5%
EBITDA MRI Interest cover %	Yes	0%	0%	199%
Headline social housing cost per unit	Yes	£5,489	£4,188	%4,600
Operating margin % - social housing	Yes	31.5%	39.8%	23.9%
Operating margin % - overall	Yes	31.5%	39.8%	20.3%
Return on capital employed (ROCE) %	Yes	3.5%	4.4%	3%
Average WMC increases compared to other registered providers nationally	No	3.5%	4.5%	-
Rent Loss from Voids	No	2.12%	5%	-
Bad debts for the year		£Nil	£Nil	-
Tenant arrears		0.7%	5%	-
Turnover RSL		£98,955	£102,959	-
EPC Rating C and above (2014/2021)	No	87.5%	87.5%	-
Resident participation in decision making (attendance at trustee meetings)	No	25%	75%	

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

b. Residents' Survey Results on Value for Money

Only 56% of the residents completed the residents survey.

	Results from surveys received	Target level
Weekly Maintenance Charges (WMC) represent value for money compared to the open market	88%	100%
Sufficient Support from Scheme Manager with Housing Benefit and WMC related paperwork	95%	100%
Properties well maintained	89%	100%
Emergency repairs dealt with within 24 hours	78%	100%
Adherence to Health and Safety rules	87%	100%
Are trustees working on making the building and land more environmentally friendly	88%	100%
Recommend living at Almshouses to others	100%	100%
Improved quality of life since moving to the almshouses	100%	100%
Family members happy that you live in an almshouse	89%	100%
Beneficial for almshouses to be part of community events	100%	100%
Changes you would make to the almshouses?	One person wanted pets	N/A

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

5. Our VFM performance in 2021/22

The VFM dashboard in section 4 identifies the VFM targets for 2021/22 against our strategic objectives. Overall, the charity performed well against global account metrics because the trustees had focussed on:

- Maintaining properties to a high standard rather than acquiring new units
- Ring-fencing existing funds for future planned maintenance and emergencies
- Working with Housing Benefit and beneficiaries to ensure the prompt payment of weekly maintenance charges
- Following guidance from the Regulator for Social Housing to set Weekly Maintenance Charge
- Keeping voids to a minimum by updating and reletting properties as quickly as possible. The trustees were able to update and relet one property within 5 months despite supply chain challenges.
- Raising Energy Performance Certificate bandings. New Energy Performance Certificates (EPC) were undertaken at the bungalows and measures implemented to bring all 4 properties up to a level 'c' banding. Three flats were also reassessed to determine where changes could be made to the flats to improve EPC ratings and to establish whether it was viable to update the storage heaters in the flats with modern panel heaters as requested by residents. As a consequence trustees are faced with the dilemma of replacing heaters with modern storage heaters to improve the ratings or swapping to panel heater to lower the EPC rating. Two flats will never attain an EPC rating higher than a 'D' if all the suggestions are followed in the latest EPC reports.
- Involving residents in decision making. Resident involvement in trustees' meeting was hampered in 2021 because of the COVID pandemic. Trustees only met in person once in 2021. If there are future COVID restrictions one resident has been trained to use zoom and hopefully this will allow resident participation in 2022.

Overall, residents responded positively to the 2021 survey. The only change requested was for residents to be allowed to keep pets.

6. VFM targets going forward

Our targets going forward are set out in the table at section 4. These may continue to be impacted by COVID and Brexit:

- Raise EPC bandings for properties wherever possible and practical.
- Rapid response for emergency repairs
- Compliance with statutory health and safety checks and guidance
- Minimize negative human impact on the environment and create safe spaces for wildlife and people
- Ensure properties are well maintained by using trusted qualified contractors
- Ensure the procedure for filling vacancies is robust.
- Ensure that the views of residents are taken into account in decision making

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

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 April 2022 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 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.

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 (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: 31 Aug 2022

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021		2020
		£	£	£
Turnover	3	98,955		98,775
Operating expenditure				
Management expenses	4	47,460	39,937	
Repairs and maintenance		15,660	18,461	
Service costs	5	4,665	5,129	
		<u>(67,785)</u>		<u>(63,527)</u>
		31,170		35,248
Other income	6	-		2,721
Operating surplus	8	31,170		37,969
Interest receivable and other income	7	948		804
Surplus for the year		32,118		38,773
Revaluation of investments	13	2,727		416
Total comprehensive income for the year		<u>34,845</u>		<u>39,189</u>

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 2021

	Revenue Reserves £	Designated Reserves £	Restricted Funds £	Total £
Balance at 1 January 2021	426,719	203,000	51,857	681,576
Surplus / (deficit) from statement of comprehensive income	39,855	(5,010)	-	34,845
	466,574	197,990	51,857	716,421
Transfer between funds	(3,003)	5,010	(2,007)	-
Balance at 31 December 2021	463,571	203,000	49,850	716,421

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

STATEMENT OF FINANCIAL POSITION AS AT ENDED 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible fixed assets	12		739,722		735,823
Investments	13		49,890		47,163
			<u>789,612</u>		<u>782,986</u>
Current assets					
Trade and other debtors	14	4,402		5,524	
Cash and cash equivalents		100,494		76,822	
		<u>104,896</u>		<u>82,346</u>	
Creditors: amounts falling due within one year	15	(8,776)		(12,126)	
Net current assets			<u>96,120</u>		<u>70,220</u>
Total assets less current liabilities			<u>885,732</u>		<u>853,206</u>
Creditors: amounts falling due after more than one year	16		(169,311)		(171,630)
Total net assets			<u><u>716,421</u></u>		<u><u>681,576</u></u>

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

STATEMENT OF FINANCIAL POSITION (continued) AS AT YEAR ENDED 31 DECEMBER 2021

	Notes	2021	2020
		£	£
Reserves			
Revenue reserve		463,571	388,938
Designated reserves	19	203,000	203,000
Restricted reserves	18	49,850	50,449
		<hr/>	<hr/>
		716,421	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 April 2022.

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 2021

	Notes	2021	2020
		£	£
Net cash generated from operating activities	20	43,700	50,908
Cash flow from investing activities			
Purchase of tangible fixed assets		(20,036)	(15,909)
Interest received		8	40
		<hr/> 23,672	<hr/> 35,039
Cash flow from financing activities			
Interest paid		-	-
Repayment of borrowings		-	-
		<hr/> -	<hr/> -
Net change in cash and cash equivalents		23,672	35,039
Cash and cash equivalents at beginning of the year		76,822	41,783
Cash and cash equivalents at end of the year		<hr/> 100,494	<hr/> 76,822

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021

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	Over an estimated useful life of 20 years on a straight line basis
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 2021

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

	2021 £	2020 £
Weekly maintenance contributions	96,636	96,456
Social housing grant utilised in year	2,319	2,319
	<u>98,955</u>	<u>94,459</u>

4. Management expenses

	2021 £	2020 £
Water rates	82	(52)
Light and heat	2,401	1,824
Insurances	2,365	2,597
Cleaning	1,985	3,024
Telephone	330	380
Administration	24,160	25,364
Loss on disposal of tangible fixed assets	46	-
Depreciation	16,091	6,800
	<u>47,460</u>	<u>39,937</u>

5. Service costs

	2021 £	2020 £
Audit and accountancy	3,280	3,599
Subscriptions	810	729
Professional fees	575	801
	<u>4,665</u>	<u>5,129</u>

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

6. Other income

	2021	2020
	£	£
Non-government grants and donations	-	2,721

7. Interest receivable and other income

	2021	2020
	£	£
Dividends received	940	764
Bank interest received	8	40
	948	803

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 £522 (2020 - £513).

8. Operating surplus

	2021	2020
	£	£
Operating surplus as stated after charging:		
Auditor's remuneration	3,280	3,599
Depreciation	16,091	6,800

9. Auditors' remuneration

	2021	2020
	£	£
Fees payable for the audit of the charity's financial statements	3,280	3,599
Fees payable for other services	575	801

10. Staff costs

During the year, the charity continued to employ a part-time Clerk working 27 hours (2020 – 27 hours) per week. No employee received remuneration above £60,000 (2020 – none).

Staff costs for the year amounted to:

	2021	2020
	£	£
Wages and salaries	19,692	18,739
Pension costs	394	370
	20,086	19,109

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

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

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).

At 31 December 2021, 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 (2020 - £nil).

12. Tangible fixed assets

	Housing property improvements £	Housing properties for letting £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 January 2021	167,155	548,967	45,273	650	762,045
Additions	16,836	-	3,200	-	20,036
Disposals	-	-	(3,515)	-	(3,515)
At 31 December 2021	183,991	548,967	44,958	650	778,566
Depreciation					
At 1 January 2021	-	-	26,195	27	26,222
Charge for the year	9,523	-	6,438	130	16,091
Disposals	-	-	(3,469)	-	(3,469)
At 31 December 2021	9,523	-	29,164	157	38,844
Net book value					
At 31 December 2021	174,468	548,967	15,794	493	732,409
At 31 December 2020	167,155	548,967	19,078	623	735,823

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 2021

13. Investments

	2021 £	2020 £
The market value of investments as at 31 December 2021 is as follows:		
M&G: Charity Multi Asset Fund – 843 income units	768	706
BlackRock: Charities UK Bond Fund A – 309.166 accumulation units	16,373	17,001
BlackRock: Charities UK Bond Fund A – 720 income units	1,323	1,418
BlackRock: Charities UK Equity Fund A – 2,753.536 income units	19,699	17,774
COIF: 571 income units	11,727	10,264
	<hr/> 49,890	<hr/> 47,163

The cost of investments as at 31 December 2021 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 2021 are UK listed investments in managed funds.

Market value at 1 January 2021	47,163	46,747
Unrealised surplus / (deficit)	2,727	416
	<hr/> 49,890	<hr/> 47,163

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

14. Trade and other debtors

	2021	2020
	£	£
Arrears of maintenance contributions	764	2,329
Prepayments and accrued income	3,638	3,195
	<u>4,402</u>	<u>5,524</u>

15. Creditors: amounts falling due within one year

	2021	2020
Accruals and deferred income	8,456	11,738
Other creditors	320	388
	<u>8,776</u>	<u>12,126</u>

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

	2021	2020
	£	£
Accruals and deferred income	169,311	171,630

17. Deferred income

	2021	2020
Balance brought forward	171,630	173,949
Released in year	(2,319)	(2,319)
	<u>169,311</u>	<u>171,630</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 2021

18. Restricted reserves

	Property valuation reserve £	The Screwfix Foundation £	Total £
At 1 January 2021	49,850	2,007	51,857
Surplus / (deficit) for the year	-	-	-
Transfer between funds	-	(2,007)	(2,007)
At 31 December 2021	49,850	-	49,850

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 previous year to be used to fix, repair, maintain and improve the Almshouse properties. The balance has now been fully expended. The transfer in the year represents expenditure on items considered to be capital in nature.

19. Designated reserves

	Cyclical maintenance fund £	Extra- ordinary repair fund £	Total £
At 1 January 2021	30,000	173,000	203,000
Surplus / (deficit) for the year	(5,010)	-	(5,010)
Transfers between funds	23,040	-	23,040
Transfers for capital spend	(18,030)	-	(18,030)
At 31 December 2021	30,000	173,000	203,000

JOHN BOWLEY AND SHERWOOD ALMSHOUSES

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

20. Note to the statement of cash flows

	2021 £	2020 £
Cash flow from operating activities		
Surplus for the year	32,118	38,773
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	16,091	6,800
Loss on disposal of tangible fixed assets	46	-
Decrease in trade and other debtors	1,122	5,270
(Decrease) / increase in trade and other creditors	(3,350)	2,424
Government grants utilised in the year	(2,319)	(2,319)
Interest received	(8)	(40)
	<hr/> 43,700	<hr/> 50,908