KENDAL ALMSHOUSE CHARITY

England & Wales · Charity number 1172208

Details

Status	Registered
Legal form	CIO
Registered	2017-03-22
Register	View on the Charity Commission register

Contact

Address	Cumbria Tourist Business Centre Windermere Road Staveley Kendal Cumbria LA8 9PL
Phone	01539721375
Email	kendal@hhlandestates.co.uk
Website	www.kendalalmshousecharity.org.uk

Activities

Objects: THE OBJECTS OF THE CIO ARE FOR THE PUBLIC BENEFIT:1) THE PROVISION OF SOCIAL HOUSING IN THE FORM OF ALMSHOUSE ACCOMMODATION IN THE PROPERTIES KNOWN AS THE KENDAL ALMSHOUSES FOR THE BENEFIT OF PERSONS WHO ARE IN NEED OR FINANCIAL HARDSHIP AND WHO ARE INHABITANTS OF OR LIVE NEAR THE AREAS COMPRISINGA) THE TOWN OF KENDALB) THE PARISHES OF HELSINGTON, NATLAND, NEW HUTTON, PATTON, SCALTHWAITERIGG, SKELSMERGH, STRICKLAND KETEL, STRICKLAND ROGER AND UNDERBARROW AND BRADLEYFIELD; ANDC) IN NO SUITABLE APPLICATIONS ARE RECEIVED FROM INHABITANTS OF THE FOREGOING AREAS (A) OR (B), THE AREA OF SOUTH LAKELAND DISTRICT COUNCIL; ANDD) IF NO SUITABLE APPLICATIONS ARE RECEIVED FROM INHABITANTS OF THE FOREGOING AREAS (A), (B) OR (C), THE AREA OF THE BOROUGH OF BARROW-IN-FURNESS;ALL WHICH AREAS (S) TO (D) INCLUSIVE ARE IN THE COUNTY OF CUMBRIA AND ARE TOGETHER CALLED "THE AREA OF BENEFIT", WITH PREFERENCE BEING GIVEN IN ALL AREAS TO QUALIFIED PERSONS WHO ARE AGED 50 YEARS OR OVER.2) SUCH CHARITABLE PURPOSES FOR THE BENEFIT OF THE RESIDENTS IN THE ALMSHOUSES OF THE CIO OR ANY OF THEM AND IN SUCH MANNER AS THE CHARITY TRUSTEES THINK FIT FROM TIME TO TIME.

Activities: the charities principle objective is to provide affordable unfurnished homes for those in need

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Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Disability, The Prevention Or Relief Of Poverty, Other Charitable Purposes
- **Who:** Elderly/old People

Geography

- Cumbria

Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£264,694	£204,496	-	-
2024-12-31	£489,761	£170,561	-	-
2023-12-31	£222,268	£174,929	-	-
2022-12-31	£196,958	£194,220	-	-
2021-12-31	£188,711	£212,540	-	-
2020-12-31	£185,855	£146,091	-	-

Trustees

Name	Role	Appointed
Peter Garry Ducksbury	Chair	2017-01-01
Colin Nicholson Thomson		2025-05-21
Deborah Lund MRICS		2019-01-01
Hilary Fitch		2018-01-01
Jennifer Hale		2021-10-11
John Stirling		2019-01-01
Louise Gray		2019-10-22
Suzie Jane Barron		2023-07-17

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KENDAL ALMSHOUSE CHARITY

England & Wales - Charity number 1172208

Accounts

KENDAL ALMSHOUSE CHARITY

Registered Charity Number 1172208

Homes England 5097

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Stables Thompson & Briscoe
Chartered Accountants
Statutory Auditors

KENDAL ALMSHOUSE CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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KENDAL ALMSHOUSE CHARITY

CHARITY INFORMATION

Established as CIO	22 March 2017
Principal Office	Suite 1, Cumbria Tourism Business Centre Windermere Road Staveley LA8 9PL
Registered Numbers	Registered Charity Number 1172208 Homes and Communities Agency Registration Number A1059
Trustees	Mr P G Ducksbury (Chair) Ms C Roberson (Vice Chair) (resigned 20 October 2025) Mrs S J Barron Mrs H Fitch Ms L Gray Mrs J Hale Miss D Lund Mr J Stirling Mr C Thomson (appointed 21 May 2025)
Managing agent	H & H Land & Estates Suite 1, Cumbria Tourism Business Centre Windermere Road Staveley LA8 9PL Tel: 01539 721375
Bankers	Barclays Bank Plc 9 Highgate Kendal Cumbria LA9 4DF
Independent Auditors	Stables Thompson & Briscoe Chartered Accountants Statutory Auditors Lowther House Lowther Street Kendal LA9 4DX

The Trustees present their report and the audited financial statements for the year ended 31 December 2025.

Governance, Aims, Structure and Management

Governing Document

The Kendal Almshouse Charity was originally five charitable organisations registered with the Charity Commission. In 1987, the charities were amalgamated to create the Kendal Almshouse Charity under a Memorandum of Association which established the objects and powers of the charitable organisation, dated 2 December 1987. In 2014 the assets and liabilities of Kendal War Memorial Trust were acquired by the Kendal Almshouse Charity.

In March 2017, the Charity Commission approved the conversion to a Charitable Incorporated Organisation (CIO). All the assets and operations were transferred into the CIO from June 2017. The Charity Number of the CIO is 1172208.

Recruitment and Appointment of Trustees

There are eight Trustees at the date of this report, with one new trustee recruited during the last year.

Mr P G Ducksbury remains Chair. Ms C Roberson resigned during the year and Mr C Thomson joined as Trustee.

Ten Trustees would be the ideal structure. Trustees are encouraged to "network" to find suitable new Trustees and the Charity advertises positions available.

The skills of the Trustees are regularly reviewed, and they are all encouraged to take a lead in an aspect of the Charity business. Each Trustee is appointed to at least one of the three committees; Finance, Buildings or Lettings.

It is the policy of the Charity to appoint Trustees with experience in the letting of residential property, care of the elderly and those in need, building construction, finance, investment and legal matters.

Trustee Induction and Training

Prior to appointment of new Trustees, the candidates are provided with an induction pack which includes the Governing Instrument and minutes of recent quarterly meetings of the committees and the full Trustees.

The Chair and Clerk meet candidates to discuss the background, history and policy of the Charity, together with the future plans and objectives of the organisation, before their appointment. Each potential Trustee attends a quarterly Trustee meeting, as an observer, before being appointed.

Charity Commission publications are also made available, together with publications from the National Association of Almshouses of which Kendal Almshouse Charity is a member. The standard Almshouse Management publication is made available for candidates.

New Trustees are issued with a Trustee Handbook which details how the Charity is run and what is expected of them.

The implications of being a Registered Social Housing Provider are also explained to new Trustees.

Organisational Structure

The Finance Committee chaired by Mrs J Hale meets at least every quarter, before each quarterly Trustee meeting.

The Letting Committee and Building Committee meet regularly.

All committees comprise a minimum of three Trustees and operate under terms of reference.

The Letting Committee chaired by Mrs H Finch meets to decide to appoint applicants seeking a home, based on the aims and objectives of the Charity and the circumstances of the individual applicants. It also liaises with the Building Committee as regards upgrading of vacant units.

The function of the Building Committee chaired by Miss D Lund is to advise the Trustees on major improvements, refurbishment schemes and the conclusions of the quinquennial survey reports. Quinquennial reports are obtained on the general condition of the housing stock with recommendations on improvements and urgent repairs needed. These reports are undertaken by a professional Building Surveyor. Quinquennial inspections are underway. Pending their outcome, no significant building repairs have been undertaken but there is an ongoing programme of replacing boilers, internal upgrades and external decoration.

In 2025 the Charity completed the construction of two new houses at Romleigh part funded by a grant from Homes England and a loan from the Charity Bank. In June 2025, the Charity repaid £200,000 of the loan from Charity Bank, earlier than scheduled.

The charity follows the rules and regulations of Homes England.

Risk Management

The Finance Committee monitors the suitability and adequacy of the investments, taking into account the operational and other requirements of the Charity. It normally meets immediately prior to the full trustees meeting, providing accurate and timely reporting.

The Accountants are Registered Auditors, and the Clerk is a member of the Royal Institute of Chartered Surveyors, H & H Land & Estates.

Together with the existing management structure and administrative arrangements in place, regular monitoring of the agreed risk management policy and applicable indemnity insurance arrangements, the Trustees are satisfied that appropriate risk management practices are in place to meet the needs of the Charity and protect its activities.

To address the potential risk associated with the impending retirement of the Clerk, the Trustees have agreed and signed a Service Level Agreement with the Clerk's professional offices, Chartered Surveyors. The Clerk's Office has instigated the gradual transfer and delegation of the Clerk's duties to colleagues, including the Accounts and Administration Department. The Service Level Agreement was renewed from 1st January 2024 for a three year period.

The Trust regularly reviews its policies by looking at two to three at each quarterly meeting. During 2024, up to the present date, almost all the policies and the risk assessment have been reviewed and updated.

Increases in interest rates are a risk and now that the final project costs are known, the Finance Committee will consider the merits of using some of the reserves to reduce the loan.

Risk Management (continued)

Going forward, the main risks are repairs and maintenance required to properties, upgrades required to comply with legislation (particularly with regard to Minimum Energy Efficiency Standards) and breaches by occupiers.

Conflicts of Interest

At the start of each meeting of Trustees, including Committee meetings, attendees are asked to declare any conflicts of interest as well as signing a declaration that they are not connected to any of the regular suppliers and contractors engaged by the Charity.

Objectives and Activities

Public Benefit

The Charity's principal objective is to provide a wide range of affordable unfurnished homes for those in need and who reside in the town of Kendal, Cumbria, and adjoining parishes, as defined in the Charity's Governing Instrument. Depending on the level of interest from these areas, it is permissible to extend the defined region into the areas formally within the District of South Lakeland and the Borough of Barrow-in-Furness (now within Westmorland & Furness Council).

The Trustees confirm that they have reviewed the Charity Commission's guidance on the provision of public benefit and consider that the public benefit requirement is duly satisfied by the activities carried out in achieving the Charity's objectives.

Vacancies for almshouses are advertised in a local weekly newspaper and on the Charity's website. Applicants are required to complete a detailed application form. All applications are formally considered by the Letting Committee, which will interview applicants as necessary. No restrictions are placed on applications by virtue of gender or for social, religious or ethnic reasons.

Under the provisions of the Governing Instrument, preference is given to persons aged 50 years or more. Westmorland and Furness Council works closely with the Charity to help identify those in need in the area. The Charity also liaises with Social Services to adapt properties for the benefit of occupiers.

At the date of this report, all housing stock is occupied; there are no vacancies and no significant arrears.

Achievements and Performance

Target Rents

The weekly maintenance contributions are maintained within the guidelines of the Homes and Communities Agency. All the housing stock are now at target rents. The weekly maintenance contributions were reviewed and increased in line with the Homes England guidelines, with effect from January 2025.

Improvements and Maintenance

Regular inspections covering the general condition of the Charity's properties are undertaken by the Clerk's office, and where necessary a qualified building surveyor, to highlight improvements and other work needed to maintain the buildings in a good state of long-term repair. Additionally, the opportunity is normally taken, when a property becomes vacant, to improve the facilities as necessary. Supporting initiatives involve upgrading the quality of the Charity's housing stock to achieve Decent Homes Standards, a requirement of the Homes England as Kendal Almshouse Charity is a Registered Social Housing Provider (RSHP).

Improvements and Maintenance (continued)

The last quinquennial building surveys were undertaken in 2020 and focused on the nine almshouses at Sandes Hospital and two at Romney Road. All items highlighted to be addressed in the medium term have been addressed. The other almshouses were surveyed prior to 2020 but the Sleddal Victoria Almshouses were substantially refurbished and restored after the 2015 floods, to comply with Decent Home Standard Status, and Nobles Rest has undergone improvements, such as new windows and doors.

Romleigh was demolished in 2023 and replaced with two new energy-efficient one-bedroom almshouses, completed November 2024. The two bungalows are now occupied.

External decoration were completed in 2025. As properties have become vacant, they have undergone minor improvements and refurbishment.

The Charity adheres to regulatory requirements in respect of annual gas safety certificates and five yearly Electrical Installation Certificate Reports (EICRs). It takes a pro-active approach to replacing boilers which are nearing the end of their life.

Following completion of the new development at Romleigh, with the implications of the associated costs, it was decided to instigate quinquennial building surveys on all the housing stock, excluding Romleigh. The inspections for the surveys started in December 2025 and continues into 2026. The conclusion of the survey reports will provide the basis for forward planning during 2026, for improvements, repairs and any essential roof replacements and any structural works.

Financial Review

An annual budget was considered and agreed by the Trustees at the 2025 and 2026 meetings, based on the recommendations from the National Association of Almshouses for annual amounts for each of the three designated funds, being routine maintenance, extraordinary repairs and cyclical maintenance.

The outcome of the charity's operations for the year ended 31st December 2025 shows an operating surplus in the Statement of Comprehensive Income of £78,943 (2024 - £344,979 which included grants of £248,000). If grants for last year were excluded this would compare to £96,979 in 2024. Total comprehensive income was £73,652 (2024 - £673,488 for the year primarily due to the revaluation of the housing properties).

Reserves Policy

At 31 December 2025 the Charity had a surplus on accumulated income of £24,434 (2024 - £100,103) before the long term mortgage of £265,323 (2024 - £468,269).

The Trustees have adopted a reserves policy to build a free reserve equivalent to one year's income from weekly maintenance contributions (currently £235,000). The reserve set aside provides financial stability and the means to the development of the principle activity. The reserve level is set with the knowledge that significant void levels may occur due to the age and type of properties. Trustees are aware that some properties lie within the Kendal Flood Zone and have experience of significant prolonged voids as a consequence of flooding, although flood prevention measures are currently under construction.

The Trustees meet quarterly to review the amount of reserves that are required to ensure that they are adequate to fulfil the continuing obligations.

Trustees will consider whether to use further reserves to reduce the balance of the loan at the next Trustees meeting in April 2026.

Investment Policy

The total investments at 31 December 2025 are £266,361 (2024 - £353,905).

The Charity's objective for the investment of funds not required for short-term and medium-term operational reasons is to apply such funds so as to achieve a balance between income generation and capital growth over the longer term, consistent with the degree of risk considered acceptable by the Trustees. Accordingly, the funds are invested in CCLA's Charities Investment Fund (COIF) and M & G's Charity Multi Asset Funds which are considered to provide an adequate spread of risk and an acceptable return and are monitored regularly by the Finance Committee.

Value for money

Kendal Almshouse Charity assesses how it is achieving value for money in delivering its purpose and objectives, in accordance with the regulator's standard on value for money. This means managing resources economically, efficiently and effectively to provide quality services and homes. The Trustees review target rents, investment performance, expenses and the charity's resources while seeking to achieve decent homes standard and maintain the level of service expected by tenants.

Value for money metrics

Kendal Almshouse Charity is a small provider for the purposes of disclosure of the Value for Money Metrics. Disclosures are as follows:

	2025	2024	2023	2022	2021
Reinvestment %	0%	0%	0%	0%	0%
New supply delivered	0%	0%	0%	0%	0%
Gearing	7%	13%	11%	8%	8%
EBITDA MRI Interest cover	372%	308%	331%	580%	-286%
Headline Social Housing Cost per unit	£4,015	£3,370	£3,837	£4,535	£5,033
Operating margin	34%	147%	26%	23%	-11%
Return on Capital Employed	2%	8%	2%	1%	-1%

The Value for Money Metrics are variable as this is a small RSL and any project will affect the ratios more than larger RSLs.

Statement of compliance

Kendal Almshouse Charity as a registered provider of social housing assesses compliance with the Governance and Financial Viability Standard code of Practice issued by the Homes and Communities Agency in April 2015 on an annual basis. The Charity has in place procedures and policies to comply with the code of practice and the trustees review these regularly.

Approved by the Trustees on 20 April 2026 and signed on their behalf by:

P G Ducksbury
Chair

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Charities Acts and registered social housing legislation require 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 the financial statements the Trustees are required to:

- select suitable accounting policies and 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 operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. The Trustees are responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 20 April 2026 and signed on their behalf by:

P G Ducksbury
Chair

Independent Auditor's report to the Trustees of Kendal Almshouse Charity

Opinion

We have audited the financial statements of Kendal Almshouse Charity for the year ended 31 December 2025, which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 December 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the board report; or

- sufficient accounting records have not been kept; or

Matters on which we are required to report by exception continued

- the financial statements are not in agreement with the accounting records; or

- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of the board

As explained more fully in the board's responsibilities statement set out on page 8, the board members (who are also the trustees of the association for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our experience and from discussions with management. We reviewed any related correspondence and records of trustee meetings to assess compliance with laws and regulations and discussed the current position with management. We ensured the audit team were alert for any indications of non-compliance throughout the audit work.

The charitable company is managed by a management company which reduces the risk of fraud. We assessed the management company's policies and procedures on fraud risks. No instances of actual, suspected or alleged fraud were identified by us or the managing company in the year.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of controls. We are not responsible for preventing non-compliance and cannot be expected to detect compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Use of this report

This report is made solely to the association's board, 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 association's board those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's board as a body, for our audit work, for this report, or for the opinions we have formed.

Stables Thompson & Briscoe
Statutory Auditor

Lowther House
Lowther Street
Kendal
Cumbria
LA9 4DX

Date: 5 May 2026

Stables Thompson & Briscoe is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF COMPREHENSIVE INCOME (INCLUDING INCOME AND EXPENDITURE)

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Year ended 31/12/2025		Year ended 31/12/2024	
		£	£	£	£
Turnover					
Maintenance contributions from residents			262,043		241,443
Less: losses from voids			(3,192)		(6,397)
			258,851		235,046
Operating Costs					
Services		45,292		35,988	
Routine maintenance		20,959		26,389	
Cyclical maintenance		31,797		21,810	
Extraordinary repairs		24,584		12,421	
Quinquennial reports		15,390		-	
Management		42,000		41,572	
			(180,022)		(138,180)
Other income					
Donations and wayleave		114		113	
Grant received for Romleigh development		-		248,000	
			114		248,113
Operating Surplus/(Deficit)			78,943		344,979
Income from fixed asset investments			3,835		3,698
Interest receivable and similar income			1,894		2,904
Interest and financing costs			(24,474)		(32,381)
Movement in fair value of investments	5		13,454		17,928
Downward revaluation of housing properties			-		(526,640)
Surplus/(Deficit) on Ordinary Activities Before Taxation	3		73,652		(189,512)
Taxation on surplus on ordinary activities	1 (n)		-		-
Surplus / (deficit) for the year			73,652		(189,512)
Revaluation of tangible fixed assets	4		-		863,000
Total comprehensive income for the year			73,652		673,488

These financial statements were approved by the Trustees on 20 April 2026 and signed on their behalf by:

Jennifer Hale

P G Ducksbury
Trustee

Mrs J Hale
Trustee

The annexed notes form part of these financial statements.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 DECEMBER 2025

	Restricted reserves £	Endowment reserves £	Designated reserves £	Property Revaluation reserve £	Investment Revaluation reserve £	Accumulated income £	Total £
At 31 December 2023 and 1 January 2024	-	59,844	2,024,042	714,290	185,674	224,409	3,208,259
Surplus (deficit) for the year	-	1,515			16,413	(207,440)	(189,512)
Transfers between reserves	-		(83,134)			83,134	-
Revaluation				863,000			863,000
Total comprehensive income	-	1,515	(83,134)	863,000	16,413	(124,306)	673,488
At 31 December 2024 and 1 January 2025	-	61,359	1,940,908	1,577,290	202,087	100,103	3,881,747
Surplus (deficit) for the year	-	(437)			13,891	60,198	73,652
Transfers between reserves	-		135,867			(135,867)	-
Revaluation				-			-
Total comprehensive income	-	(437)	135,867	-	13,891	(75,669)	73,652
At 31 December 2025	-	60,922	2,076,775	1,577,290	215,978	24,434	3,955,399

The annexed notes form part of these financial statements.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Notes	31/12/2025		31/12/2024	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	4		3,818,000		3,818,000
Investments	5		266,361		353,905
			4,084,361		4,171,905
Current Assets					
Debtors	6	10,203		9,841	
Bank Current account		76,227		72,969	
Bank Deposit accounts		103,642		156,917	
		190,072		239,727	
Creditors					
Amounts falling due within one year	7	(53,711)		(61,616)	
Net Current Assets			136,361		178,111
Total assets less current liabilities			4,220,722		4,350,016
Creditors					
Amounts falling due after one year	8		(265,323)		(468,269)
Total Net Assets	15		£3,955,399		£3,881,747
The Funds of the Charity					
Permanent endowment funds	10		60,922		61,359
Designated funds	11		2,076,775		1,940,908
Property revaluation reserve	12		1,577,290		1,577,290
Investment revaluation reserve	13		215,978		202,087
Accumulated income reserve	14		24,434		100,103
			£3,955,399		£3,881,747

These financial statements were approved by the Trustees on 20 April 2026 and signed on their behalf by:

Jennifer Hale

P G Ducksbury
Trustee

Mrs J Hale
Trustee

The annexed notes form part of these financial statements.

1 Principal Accounting Policies

a) Legal status

Kendal Almshouse Charity is a Charitable Incorporated Organisation (CIO) registered with the Charity Commission on 22 March 2017 (number 1172208) and is a private registered provider of social housing in the United Kingdom.

The Charity constitutes a public benefit entity as defined by FRS 102.

b) Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2022. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Charities Act 2011. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the Registered Provider, and rounded to the nearest £.

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

As a small entity, the Charity is not required to produce a Cash Flow Statement.

c) Going concern

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

d) Tangible fixed assets

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

The Charity's tangible fixed assets are made up of housing properties which are principally almshouses some of which were acquired in 1887 and have previously been recorded in the accounts at cost, which was well below the existing use value as social housing (EUV - SH) or open market value. When the properties were transferred to the CIO the opportunity was taken to value the properties and the EUV-SH value has been brought into these accounts (see note 4).

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value. In the case of the housing properties held at valuation, depreciation is considered to be immaterial due to the high residual value and so is not provided.

Freehold land is not depreciated. Housing properties under construction are not depreciated until they are in use and the useful economic lives of all tangible fixed assets are reviewed annually.

1 Principal Accounting Policies (continued)

d) **Tangible fixed assets (continued)**
As the housing properties are now shown at existing use valuation for social housing, and the open market value of these properties is roughly twice the EUV-SH value, the residual value of the properties is considered to be higher than the carrying value and as such depreciation is not provided.

The valuations will be reviewed on a regular basis.

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

Rights of social landlords to have improvement works carried out to properties by a third party (such as a local authority) are recognised as prepayments where payment has occurred in advance of the works being carried out and receipts in advance from the same third party recognised as liabilities. Assets and liabilities or income and expenditure are not offset.

f) **Investments**
Investments are recognised initially at cost. Subsequently, they are measured at fair value through the statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

g) **Loans and borrowings**
Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

h) **Social Housing Grants (SHG) and Other Grants**
SHG received as a grant towards revenue expenditure is matched against that expenditure by being included in turnover in the income and expenditure account. The related expenditure is included under operating costs. SHG is recognised in the same period as the related expenditure provided the conditions for its receipt have been satisfied and there is reasonable assurance that the grant will be received. Capital grants are shown in liabilities until the project is completed and then released to turnover.

i) **Provisions**
Provisions are recognised when the Charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Provisions for cyclical maintenance or major works to existing stock are not made unless they represent commitments or obligations at the Balance Sheet date where there is no discretion to avoid or delay the expenditure.

Recycled Capital Grants Fund

Capital grants can be recycled under certain condition, if a property is sold, or if another relevant event takes place. Recycled grants can be used for projects approved by the Homes and Communities Agency (HCA) and they are credited to the Recycled Capital Grant Fund within liabilities.

1 Principal Accounting Policies (continued)

i) Provisions (continued)

In certain circumstances, such as the sale of housing properties, capital grants may be repayable, and, in that event, is subordinated to the repayment of other loans by agreement with the Homes and Communities Agency (HCA). It is accounted for as soon as the liability arises within Creditors: Amounts falling due within one year. When any grant to be recycled or repaid is less than the grant relating to the disposal, the difference is treated as abated grant. Abated capital grants are treated as a component of the surplus or deficit on disposal.

j) Turnover and other income

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

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Homes and Communities Agency.

Property Managed by Agents
Where the Charity carries the financial risk on property managed by agents, all the income and expenditure arising from the property is included in the Statement of Comprehensive Income.

Where the agency carries the financial risk, the Statement of Comprehensive Income includes only that income and expenditure which relates solely to the Charity.

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

k) Routine Repairs and Maintenance

The costs of routine repairs and maintenance are charged to the Income and Expenditure Account in the year in which they are incurred.

l) Extraordinary Repairs

Costs of extraordinary repairs, unless representing capital improvements to the properties, are charged to the Income and Expenditure Account in the year in which they are incurred.

m) Value Added Tax

Kendal Almshouse Charity is not registered for VAT. In these financial statements, where applicable, expenditure is shown inclusive of VAT.

n) Current Taxation

No taxation is payable by Kendal Almshouse Charity since it has charitable status and its charitable activities are exempt from tax.

1 Principal Accounting Policies (continued)

o) Designated and Restricted Funds

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

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

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

Endowment funds represent those assets which must be held permanently by the Charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal fees relating to the fund are charged against the fund.

Investment income and gains are allocated to the appropriate fund.

There are three designated funds in these accounts:

Property Fund
This represents that proportion of the cost of properties which was financed by charitable donations and the Charity's own resources.

Cyclical Maintenance Fund
This Fund represents amounts set aside for cyclical maintenance to meet costs in excess of budgeted expenditure for any year.

Extraordinary Repairs Fund
This Fund represents amounts set aside to carry out unexpected repairs and capital improvements on housing properties.

2 Board and key management personnel remuneration

Key management are defined as the Trustees.

None of the Trustees received any emoluments or benefits. Reimbursed expenses to trustees amounted to £619.53 of which £503.53 were travel expenses, £86 were DBS checks and £30 was a gift voucher. The Trustees have a service agreement with H&H Land & Estates who manage the properties on a day to day basis. The management fees payable were as follows:

	31/12/2025	31/12/2024
	£	£
Management fees	£42,000	£41,572

3 Surplus on Ordinary Activities

	31/12/2025	31/12/2024
	£	£
Surplus on ordinary activities is stated after charging:		
Auditors' remuneration in their capacity as Auditors	£7,260	£6,350
Surplus/(deficit) on fair value movement of investments	£13,454	£17,928

Auditors' remuneration includes £3,654 for preparing the accounts.

4 Fixed Assets: Freehold Housing Property

	Sledall Victoria and Aynam Chapel	Nobles Rest	Sandes Hospital	John Aston Watkins	Romleigh and War Memorial Gardens	Total
	£	£	£	£	£	£
Valuation 1 January 2025	1,845,000	1,013,000	470,000	250,000	240,000	3,818,000
Transfer	-	-	-	-	-	-
(Impairment)	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Valuation as at 31/12/2025	£1,845,000	£1,013,000	£470,000	£250,000	£240,000	£3,818,000

The properties were independently valued as at 31 December 2024 by Edwin Thompson on 17 April 2025. The valuations reflect the almshouse and residency restrictions which equates to existing use value - social housing as required by the Housing SORP 2018. The discount on open market value was between 35% - 50% depending on the property.

The properties were all held for letting and represented 42 general housing units.

General works to properties amounted to £77,340 (2024 - £60,620).

The original cost of the properties is a mix of the valuation at the time of transfer to the charity and subsequent development work and amounts to £3,582,047 (2024 - £3,582,047) less Social Housing grants of £449,120.

Last year the redevelopment of the Romleigh site was completed and was transferred into Freehold Housing Property from Asset in the course of construction in November 2024. This property was independently re-valued at 31 December 2024 using the same valuation methodology (existing use value minus social housing) and as such the valuation has been capped at £240,000. An impairment of £526,640 was recognised as the difference between historic cost including redevelopment and the value as at 31 December 2024.

5 Investments

	Extraordinary Repairs Fund	Permanent Endowment Fund	Cyclical Maintenance Fund	Total
	£	£	£	£
Historical cost at 1 January 2025	46,102	13,714	44,357	104,173
Historical cost at 31 December 2025	£46,102	£13,714	£44,357	£104,173
Market value at 1 January 2025	215,069	61,359	77,477	353,905
Disposals	(100,998)			(100,998)
Unrealised surplus/(deficit)	8,704	(437)	5,187	13,454
Market value at 31 December 2025	£122,775	£60,922	£82,664	£266,361

All the investments are placed with CCLA's Charities Investment Fund (COIF) and M & G's Charity Multi Asset Funds.

6 Debtors: Amounts Falling Due Within One Year

	31/12/2025	31/12/2024
	£	£
Weekly maintenance contributions	560	1,477
Other debtors	-	-
Prepayments	9,643	8,364
	£10,203	£9,841

7 Creditors: Amounts Falling Due Within One Year

	31/12/2025	31/12/2024
	£	£
Trade creditors	41,130	45,863
Bank loan due within one year	5,321	9,153
Grant received for asset in the course of construction	-	-
Asset in the course of construction contracted expenses	-	-
Accruals and deferred income	7,260	6,600
	£53,711	£61,616

8 Creditors: Amounts Falling Due After One Year

	31/12/2025	31/12/2024
	£	£
Bank loan due after one year	265,323	468,269
	£265,323	£468,269

The loan is repayable over 25 years, interest only for the first twelve months, with interest charged at base rate + 2.1%.

The loan is secured by a legal charge on the freehold housing property at Nobles Rest.

Debt analysis

Based on the lenders earliest repayment date, borrowings are repayable as follows:

	31/12/2025	31/12/2024
	£	£
Within one year or on demand	5,321	9,153
One year or more but less than two years	5,321	9,240
Two years or more but less than five years	15,964	27,720
Five years or more	244,038	431,309
	£270,644	£477,422

9 Capital grants received

The charity has received assistance in renovation projects from the Homes and Community Agency and Westmorland and Furness Council by way of grants which would only be repayable if the charity were to sell the properties or cease acting as a social housing trust. As this is a remote possibility no provision for these has been made in these accounts. The amounts involved are as follows:

	31/12/2025	31/12/2024
	£	£
Sleddall Victoria and Aynam Chapel	618,960	618,960
Nobles Rest	115,423	115,423
Sandes Hospital	102,197	102,197
John Aston Watkins	27,540	27,540
Romleigh and War Memorial Gardens	282,028	282,028
	£1,146,148	£1,146,148

This does not include grants received shown in Creditors: due within one year.

10 Permanent Endowment Funds

	Permanent Endowment Fund	Investment Revaluation Fund	Total
	£	£	£
Balance at 1 January 2025	13,714	47,645	61,359
Unrealised surplus	-	(437)	(437)
Balance at 31 December 2025	£13,714	£47,208	£60,922

11 Designated Funds

	Property Fund	Extraordinary Repairs Fund	Cyclical Maintenance Fund	Total
	£	£	£	£
Balance at 1 January 2025	1,654,858	172,156	113,894	1,940,908
Trfs (to)/from Accumulated Income reserve	-	2,758	12,329	15,087
Investment in property	206,778	(100,998)	-	105,780
Transfer for Decent Homes Standard	-	7,500	7,500	15,000
Balance at 31 December 2025	£1,861,636	£81,416	£133,723	£2,076,775

The Property fund represents internal funds invested in property.
The other funds represent funds set aside for future works on property.

12 Property Revaluation Reserve

	Social Housing Revaluation Reserve	Total
	£	£
Balance at 1 January 2025	1,577,290	1,577,290
Movement in the year	-	-
Balance at 31 December 2025	£1,577,290	£1,577,290

13 Investment Revaluation Reserve

	Extraordinary Repairs Revaluation	Cyclical Maintenance Revaluation	Total
	£	£	£
Balance at 1 January 2025	168,967	33,120	202,087
Unrealised surplus	8,704	5,187	13,891
Balance at 31 December 2025	£177,671	£38,307	£215,978

14 Accumulated Income Reserve

		£
Balance at 1 January 2025		100,103
Surplus for the year excluding movement in fair value of investments		60,198
Transfer from/(to):		
Investment in property - loan repayments	(206,778)	
From extraordinary repair fund	100,998	
Designated funds - extraordinary repair fund under spend	(2,758)	
Designated funds - cyclical maintenance fund under spend	(12,329)	
Designated funds - Decent Homes Standard	(15,000)	(135,867)
Balance at 31 December 2025		24,434

15 Analysis of net assets between funds

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Creditors due after one year £	Total 31/12/2025 £
Permanent endowment funds	-	60,922	-	-	60,922
Designated funds	2,240,710	(10,539)	111,927	(265,323)	2,076,775
Property revaluation reserve	1,577,290	-	-	-	1,577,290
Investment revaluation reserve	-	215,978	-	-	215,978
Accumulated income reserve	-	-	24,434	-	24,434
	£3,818,000	£266,361	136,361	(265,323)	£3,955,399

The net current liability position is covered by future loan drawdowns and promised grants.

Comparatives:	Tangible Fixed Assets £	Investments £	Net Current Liability £	Creditors due after one year £	Total 31/12/2024 £
Permanent endowment funds	-	61,359	-	-	61,359
Designated funds	2,190,710	90,459	128,008	(468,269)	1,940,908
Property revaluation reserve	1,577,290	-	-	-	1,577,290
Investment revaluation reserve	-	202,087	-	-	202,087
Accumulated income reserve	-	-	50,103	-	50,103
	£3,768,000	£353,905	178,111	(468,269)	£3,831,747

KENDAL ALMSHOUSE CHARITY

Registered Charity Number 1172208

Homes England 5097

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Stables Thompson & Briscoe
Chartered Accountants
Statutory Auditors

KENDAL ALMSHOUSE CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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KENDAL ALMSHOUSE CHARITY

CHARITY INFORMATION

Established as CIO	22 March 2017
Principal Office	Suite 1, Cumbria Tourism Business Centre Windermere Road Staveley LA8 9PL
Registered Numbers	Registered Charity Number 1172208 Homes and Communities Agency Registration Number A1059
Trustees	Mr P G Ducksbury (Chair) Ms C Roberson (Vice Chair) (resigned 20 October 2025) Mrs S J Barron Mrs H Fitch Ms L Gray Mrs J Hale Miss D Lund Mr J Stirling Mr C Thomson (appointed 21 May 2025)
Managing agent	H & H Land & Estates Suite 1, Cumbria Tourism Business Centre Windermere Road Staveley LA8 9PL Tel: 01539 721375
Bankers	Barclays Bank Plc 9 Highgate Kendal Cumbria LA9 4DF
Independent Auditors	Stables Thompson & Briscoe Chartered Accountants Statutory Auditors Lowther House Lowther Street Kendal LA9 4DX

The Trustees present their report and the audited financial statements for the year ended 31 December 2025.

Governance, Aims, Structure and Management

Governing Document

The Kendal Almshouse Charity was originally five charitable organisations registered with the Charity Commission. In 1987, the charities were amalgamated to create the Kendal Almshouse Charity under a Memorandum of Association which established the objects and powers of the charitable organisation, dated 2 December 1987. In 2014 the assets and liabilities of Kendal War Memorial Trust were acquired by the Kendal Almshouse Charity.

In March 2017, the Charity Commission approved the conversion to a Charitable Incorporated Organisation (CIO). All the assets and operations were transferred into the CIO from June 2017. The Charity Number of the CIO is 1172208.

Recruitment and Appointment of Trustees

There are eight Trustees at the date of this report, with one new trustee recruited during the last year.

Mr P G Ducksbury remains Chair. Ms C Roberson resigned during the year and Mr C Thomson joined as Trustee.

Ten Trustees would be the ideal structure. Trustees are encouraged to "network" to find suitable new Trustees and the Charity advertises positions available.

The skills of the Trustees are regularly reviewed, and they are all encouraged to take a lead in an aspect of the Charity business. Each Trustee is appointed to at least one of the three committees; Finance, Buildings or Lettings.

It is the policy of the Charity to appoint Trustees with experience in the letting of residential property, care of the elderly and those in need, building construction, finance, investment and legal matters.

Trustee Induction and Training

Prior to appointment of new Trustees, the candidates are provided with an induction pack which includes the Governing Instrument and minutes of recent quarterly meetings of the committees and the full Trustees.

The Chair and Clerk meet candidates to discuss the background, history and policy of the Charity, together with the future plans and objectives of the organisation, before their appointment. Each potential Trustee attends a quarterly Trustee meeting, as an observer, before being appointed.

Charity Commission publications are also made available, together with publications from the National Association of Almshouses of which Kendal Almshouse Charity is a member. The standard Almshouse Management publication is made available for candidates.

New Trustees are issued with a Trustee Handbook which details how the Charity is run and what is expected of them.

The implications of being a Registered Social Housing Provider are also explained to new Trustees.

Organisational Structure

The Finance Committee chaired by Mrs J Hale meets at least every quarter, before each quarterly Trustee meeting.

The Letting Committee and Building Committee meet regularly.

All committees comprise a minimum of three Trustees and operate under terms of reference.

The Letting Committee chaired by Mrs H Finch meets to decide to appoint applicants seeking a home, based on the aims and objectives of the Charity and the circumstances of the individual applicants. It also liaises with the Building Committee as regards upgrading of vacant units.

The function of the Building Committee chaired by Miss D Lund is to advise the Trustees on major improvements, refurbishment schemes and the conclusions of the quinquennial survey reports. Quinquennial reports are obtained on the general condition of the housing stock with recommendations on improvements and urgent repairs needed. These reports are undertaken by a professional Building Surveyor. Quinquennial inspections are underway. Pending their outcome, no significant building repairs have been undertaken but there is an ongoing programme of replacing boilers, internal upgrades and external decoration.

In 2025 the Charity completed the construction of two new houses at Romleigh part funded by a grant from Homes England and a loan from the Charity Bank. In June 2025, the Charity repaid £200,000 of the loan from Charity Bank, earlier than scheduled.

The charity follows the rules and regulations of Homes England.

Risk Management

The Finance Committee monitors the suitability and adequacy of the investments, taking into account the operational and other requirements of the Charity. It normally meets immediately prior to the full trustees meeting, providing accurate and timely reporting.

The Accountants are Registered Auditors, and the Clerk is a member of the Royal Institute of Chartered Surveyors, H & H Land & Estates.

Together with the existing management structure and administrative arrangements in place, regular monitoring of the agreed risk management policy and applicable indemnity insurance arrangements, the Trustees are satisfied that appropriate risk management practices are in place to meet the needs of the Charity and protect its activities.

To address the potential risk associated with the impending retirement of the Clerk, the Trustees have agreed and signed a Service Level Agreement with the Clerk's professional offices, Chartered Surveyors. The Clerk's Office has instigated the gradual transfer and delegation of the Clerk's duties to colleagues, including the Accounts and Administration Department. The Service Level Agreement was renewed from 1st January 2024 for a three year period.

The Trust regularly reviews its policies by looking at two to three at each quarterly meeting. During 2024, up to the present date, almost all the policies and the risk assessment have been reviewed and updated.

Increases in interest rates are a risk and now that the final project costs are known, the Finance Committee will consider the merits of using some of the reserves to reduce the loan.

Risk Management (continued)

Going forward, the main risks are repairs and maintenance required to properties, upgrades required to comply with legislation (particularly with regard to Minimum Energy Efficiency Standards) and breaches by occupiers.

Conflicts of Interest

At the start of each meeting of Trustees, including Committee meetings, attendees are asked to declare any conflicts of interest as well as signing a declaration that they are not connected to any of the regular suppliers and contractors engaged by the Charity.

Objectives and Activities

Public Benefit

The Charity's principal objective is to provide a wide range of affordable unfurnished homes for those in need and who reside in the town of Kendal, Cumbria, and adjoining parishes, as defined in the Charity's Governing Instrument. Depending on the level of interest from these areas, it is permissible to extend the defined region into the areas formally within the District of South Lakeland and the Borough of Barrow-in-Furness (now within Westmorland & Furness Council).

The Trustees confirm that they have reviewed the Charity Commission's guidance on the provision of public benefit and consider that the public benefit requirement is duly satisfied by the activities carried out in achieving the Charity's objectives.

Vacancies for almshouses are advertised in a local weekly newspaper and on the Charity's website. Applicants are required to complete a detailed application form. All applications are formally considered by the Letting Committee, which will interview applicants as necessary. No restrictions are placed on applications by virtue of gender or for social, religious or ethnic reasons.

Under the provisions of the Governing Instrument, preference is given to persons aged 50 years or more. Westmorland and Furness Council works closely with the Charity to help identify those in need in the area. The Charity also liaises with Social Services to adapt properties for the benefit of occupiers.

At the date of this report, all housing stock is occupied; there are no vacancies and no significant arrears.

Achievements and Performance

Target Rents

The weekly maintenance contributions are maintained within the guidelines of the Homes and Communities Agency. All the housing stock are now at target rents. The weekly maintenance contributions were reviewed and increased in line with the Homes England guidelines, with effect from January 2025.

Improvements and Maintenance

Regular inspections covering the general condition of the Charity's properties are undertaken by the Clerk's office, and where necessary a qualified building surveyor, to highlight improvements and other work needed to maintain the buildings in a good state of long-term repair. Additionally, the opportunity is normally taken, when a property becomes vacant, to improve the facilities as necessary. Supporting initiatives involve upgrading the quality of the Charity's housing stock to achieve Decent Homes Standards, a requirement of the Homes England as Kendal Almshouse Charity is a Registered Social Housing Provider (RSHP).

Improvements and Maintenance (continued)

The last quinquennial building surveys were undertaken in 2020 and focused on the nine almshouses at Sandes Hospital and two at Romney Road. All items highlighted to be addressed in the medium term have been addressed. The other almshouses were surveyed prior to 2020 but the Sleddal Victoria Almshouses were substantially refurbished and restored after the 2015 floods, to comply with Decent Home Standard Status, and Nobles Rest has undergone improvements, such as new windows and doors.

Romleigh was demolished in 2023 and replaced with two new energy-efficient one-bedroom almshouses, completed November 2024. The two bungalows are now occupied.

External decoration were completed in 2025. As properties have become vacant, they have undergone minor improvements and refurbishment.

The Charity adheres to regulatory requirements in respect of annual gas safety certificates and five yearly Electrical Installation Certificate Reports (EICRs). It takes a pro-active approach to replacing boilers which are nearing the end of their life.

Following completion of the new development at Romleigh, with the implications of the associated costs, it was decided to instigate quinquennial building surveys on all the housing stock, excluding Romleigh. The inspections for the surveys started in December 2025 and continues into 2026. The conclusion of the survey reports will provide the basis for forward planning during 2026, for improvements, repairs and any essential roof replacements and any structural works.

Financial Review

An annual budget was considered and agreed by the Trustees at the 2025 and 2026 meetings, based on the recommendations from the National Association of Almshouses for annual amounts for each of the three designated funds, being routine maintenance, extraordinary repairs and cyclical maintenance.

The outcome of the charity's operations for the year ended 31st December 2025 shows an operating surplus in the Statement of Comprehensive Income of £78,943 (2024 - £344,979 which included grants of £248,000). If grants for last year were excluded this would compare to £96,979 in 2024. Total comprehensive income was £73,652 (2024 - £673,488 for the year primarily due to the revaluation of the housing properties).

Reserves Policy

At 31 December 2025 the Charity had a surplus on accumulated income of £24,434 (2024 - £100,103) before the long term mortgage of £265,323 (2024 - £468,269).

The Trustees have adopted a reserves policy to build a free reserve equivalent to one year's income from weekly maintenance contributions (currently £235,000). The reserve set aside provides financial stability and the means to the development of the principle activity. The reserve level is set with the knowledge that significant void levels may occur due to the age and type of properties. Trustees are aware that some properties lie within the Kendal Flood Zone and have experience of significant prolonged voids as a consequence of flooding, although flood prevention measures are currently under construction.

The Trustees meet quarterly to review the amount of reserves that are required to ensure that they are adequate to fulfil the continuing obligations.

Trustees will consider whether to use further reserves to reduce the balance of the loan at the next Trustees meeting in April 2026.

Investment Policy

The total investments at 31 December 2025 are £266,361 (2024 - £353,905).

The Charity's objective for the investment of funds not required for short-term and medium-term operational reasons is to apply such funds so as to achieve a balance between income generation and capital growth over the longer term, consistent with the degree of risk considered acceptable by the Trustees. Accordingly, the funds are invested in CCLA's Charities Investment Fund (COIF) and M & G's Charity Multi Asset Funds which are considered to provide an adequate spread of risk and an acceptable return and are monitored regularly by the Finance Committee.

Value for money

Kendal Almshouse Charity assesses how it is achieving value for money in delivering its purpose and objectives, in accordance with the regulator's standard on value for money. This means managing resources economically, efficiently and effectively to provide quality services and homes. The Trustees review target rents, investment performance, expenses and the charity's resources while seeking to achieve decent homes standard and maintain the level of service expected by tenants.

Value for money metrics

Kendal Almshouse Charity is a small provider for the purposes of disclosure of the Value for Money Metrics. Disclosures are as follows:

	2025	2024	2023	2022	2021
Reinvestment %	0%	0%	0%	0%	0%
New supply delivered	0%	0%	0%	0%	0%
Gearing	7%	13%	11%	8%	8%
EBITDA MRI Interest cover	372%	308%	331%	580%	-286%
Headline Social Housing Cost per unit	£4,015	£3,370	£3,837	£4,535	£5,033
Operating margin	34%	147%	26%	23%	-11%
Return on Capital Employed	2%	8%	2%	1%	-1%

The Value for Money Metrics are variable as this is a small RSL and any project will affect the ratios more than larger RSLs.

Statement of compliance

Kendal Almshouse Charity as a registered provider of social housing assesses compliance with the Governance and Financial Viability Standard code of Practice issued by the Homes and Communities Agency in April 2015 on an annual basis. The Charity has in place procedures and policies to comply with the code of practice and the trustees review these regularly.

Approved by the Trustees on 20 April 2026 and signed on their behalf by:

P G Ducksbury
Chair

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Charities Acts and registered social housing legislation require 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 the financial statements the Trustees are required to:

- select suitable accounting policies and 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 operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. The Trustees are responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 20 April 2026 and signed on their behalf by:

P G Ducksbury
Chair

Independent Auditor's report to the Trustees of Kendal Almshouse Charity

Opinion

We have audited the financial statements of Kendal Almshouse Charity for the year ended 31 December 2025, which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 December 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the board report; or

- sufficient accounting records have not been kept; or

Matters on which we are required to report by exception continued

- the financial statements are not in agreement with the accounting records; or

- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of the board

As explained more fully in the board's responsibilities statement set out on page 8, the board members (who are also the trustees of the association for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our experience and from discussions with management. We reviewed any related correspondence and records of trustee meetings to assess compliance with laws and regulations and discussed the current position with management. We ensured the audit team were alert for any indications of non-compliance throughout the audit work.

The charitable company is managed by a management company which reduces the risk of fraud. We assessed the management company's policies and procedures on fraud risks. No instances of actual, suspected or alleged fraud were identified by us or the managing company in the year.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of controls. We are not responsible for preventing non-compliance and cannot be expected to detect compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Use of this report

This report is made solely to the association's board, 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 association's board those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's board as a body, for our audit work, for this report, or for the opinions we have formed.

Stables Thompson & Briscoe
Statutory Auditor

Lowther House
Lowther Street
Kendal
Cumbria
LA9 4DX

Date: 5 May 2026

Stables Thompson & Briscoe is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF COMPREHENSIVE INCOME (INCLUDING INCOME AND EXPENDITURE)

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Year ended 31/12/2025		Year ended 31/12/2024	
		£	£	£	£
Turnover					
Maintenance contributions from residents			262,043		241,443
Less: losses from voids			(3,192)		(6,397)
			258,851		235,046
Operating Costs					
Services		45,292		35,988	
Routine maintenance		20,959		26,389	
Cyclical maintenance		31,797		21,810	
Extraordinary repairs		24,584		12,421	
Quinquennial reports		15,390		-	
Management		42,000		41,572	
			(180,022)		(138,180)
Other income					
Donations and wayleave		114		113	
Grant received for Romleigh development		-		248,000	
			114		248,113
Operating Surplus/(Deficit)			78,943		344,979
Income from fixed asset investments			3,835		3,698
Interest receivable and similar income			1,894		2,904
Interest and financing costs			(24,474)		(32,381)
Movement in fair value of investments	5		13,454		17,928
Downward revaluation of housing properties			-		(526,640)
Surplus/(Deficit) on Ordinary Activities Before Taxation	3		73,652		(189,512)
Taxation on surplus on ordinary activities	1 (n)		-		-
Surplus / (deficit) for the year			73,652		(189,512)
Revaluation of tangible fixed assets	4		-		863,000
Total comprehensive income for the year			73,652		673,488

These financial statements were approved by the Trustees on 20 April 2026 and signed on their behalf by:

Jennifer Hale

P G Ducksbury
Trustee

Mrs J Hale
Trustee

The annexed notes form part of these financial statements.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 DECEMBER 2025

	Restricted reserves £	Endowment reserves £	Designated reserves £	Property Revaluation reserve £	Investment Revaluation reserve £	Accumulated income £	Total £
At 31 December 2023 and 1 January 2024	-	59,844	2,024,042	714,290	185,674	224,409	3,208,259
Surplus (deficit) for the year	-	1,515			16,413	(207,440)	(189,512)
Transfers between reserves	-		(83,134)			83,134	-
Revaluation				863,000			863,000
Total comprehensive income	-	1,515	(83,134)	863,000	16,413	(124,306)	673,488
At 31 December 2024 and 1 January 2025	-	61,359	1,940,908	1,577,290	202,087	100,103	3,881,747
Surplus (deficit) for the year	-	(437)			13,891	60,198	73,652
Transfers between reserves	-		135,867			(135,867)	-
Revaluation				-			-
Total comprehensive income	-	(437)	135,867	-	13,891	(75,669)	73,652
At 31 December 2025	-	60,922	2,076,775	1,577,290	215,978	24,434	3,955,399

The annexed notes form part of these financial statements.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Notes	31/12/2025		31/12/2024	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	4		3,818,000		3,818,000
Investments	5		266,361		353,905
			4,084,361		4,171,905
Current Assets					
Debtors	6	10,203		9,841	
Bank Current account		76,227		72,969	
Bank Deposit accounts		103,642		156,917	
		190,072		239,727	
Creditors					
Amounts falling due within one year	7	(53,711)		(61,616)	
Net Current Assets			136,361		178,111
Total assets less current liabilities			4,220,722		4,350,016
Creditors					
Amounts falling due after one year	8		(265,323)		(468,269)
Total Net Assets	15		£3,955,399		£3,881,747
The Funds of the Charity					
Permanent endowment funds	10		60,922		61,359
Designated funds	11		2,076,775		1,940,908
Property revaluation reserve	12		1,577,290		1,577,290
Investment revaluation reserve	13		215,978		202,087
Accumulated income reserve	14		24,434		100,103
			£3,955,399		£3,881,747

These financial statements were approved by the Trustees on 20 April 2026 and signed on their behalf by:

Jennifer Hale

P G Ducksbury
Trustee

Mrs J Hale
Trustee

The annexed notes form part of these financial statements.

1 Principal Accounting Policies

a) Legal status

Kendal Almshouse Charity is a Charitable Incorporated Organisation (CIO) registered with the Charity Commission on 22 March 2017 (number 1172208) and is a private registered provider of social housing in the United Kingdom.

The Charity constitutes a public benefit entity as defined by FRS 102.

b) Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2022. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Charities Act 2011. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the Registered Provider, and rounded to the nearest £.

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

As a small entity, the Charity is not required to produce a Cash Flow Statement.

c) Going concern

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

d) Tangible fixed assets

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

The Charity's tangible fixed assets are made up of housing properties which are principally almshouses some of which were acquired in 1887 and have previously been recorded in the accounts at cost, which was well below the existing use value as social housing (EUV - SH) or open market value. When the properties were transferred to the CIO the opportunity was taken to value the properties and the EUV-SH value has been brought into these accounts (see note 4).

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value. In the case of the housing properties held at valuation, depreciation is considered to be immaterial due to the high residual value and so is not provided.

Freehold land is not depreciated. Housing properties under construction are not depreciated until they are in use and the useful economic lives of all tangible fixed assets are reviewed annually.

1 Principal Accounting Policies (continued)

d) **Tangible fixed assets (continued)**
As the housing properties are now shown at existing use valuation for social housing, and the open market value of these properties is roughly twice the EUV-SH value, the residual value of the properties is considered to be higher than the carrying value and as such depreciation is not provided.

The valuations will be reviewed on a regular basis.

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

Rights of social landlords to have improvement works carried out to properties by a third party (such as a local authority) are recognised as prepayments where payment has occurred in advance of the works being carried out and receipts in advance from the same third party recognised as liabilities. Assets and liabilities or income and expenditure are not offset.

f) **Investments**
Investments are recognised initially at cost. Subsequently, they are measured at fair value through the statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

g) **Loans and borrowings**
Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

h) **Social Housing Grants (SHG) and Other Grants**
SHG received as a grant towards revenue expenditure is matched against that expenditure by being included in turnover in the income and expenditure account. The related expenditure is included under operating costs. SHG is recognised in the same period as the related expenditure provided the conditions for its receipt have been satisfied and there is reasonable assurance that the grant will be received. Capital grants are shown in liabilities until the project is completed and then released to turnover.

i) **Provisions**
Provisions are recognised when the Charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Provisions for cyclical maintenance or major works to existing stock are not made unless they represent commitments or obligations at the Balance Sheet date where there is no discretion to avoid or delay the expenditure.

Recycled Capital Grants Fund

Capital grants can be recycled under certain condition, if a property is sold, or if another relevant event takes place. Recycled grants can be used for projects approved by the Homes and Communities Agency (HCA) and they are credited to the Recycled Capital Grant Fund within liabilities.

1 Principal Accounting Policies (continued)

i) Provisions (continued)

In certain circumstances, such as the sale of housing properties, capital grants may be repayable, and, in that event, is subordinated to the repayment of other loans by agreement with the Homes and Communities Agency (HCA). It is accounted for as soon as the liability arises within Creditors: Amounts falling due within one year. When any grant to be recycled or repaid is less than the grant relating to the disposal, the difference is treated as abated grant. Abated capital grants are treated as a component of the surplus or deficit on disposal.

j) Turnover and other income

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

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Homes and Communities Agency.

Property Managed by Agents
Where the Charity carries the financial risk on property managed by agents, all the income and expenditure arising from the property is included in the Statement of Comprehensive Income.

Where the agency carries the financial risk, the Statement of Comprehensive Income includes only that income and expenditure which relates solely to the Charity.

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

k) Routine Repairs and Maintenance

The costs of routine repairs and maintenance are charged to the Income and Expenditure Account in the year in which they are incurred.

l) Extraordinary Repairs

Costs of extraordinary repairs, unless representing capital improvements to the properties, are charged to the Income and Expenditure Account in the year in which they are incurred.

m) Value Added Tax

Kendal Almshouse Charity is not registered for VAT. In these financial statements, where applicable, expenditure is shown inclusive of VAT.

n) Current Taxation

No taxation is payable by Kendal Almshouse Charity since it has charitable status and its charitable activities are exempt from tax.

1 Principal Accounting Policies (continued)

o) Designated and Restricted Funds

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

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

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

Endowment funds represent those assets which must be held permanently by the Charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal fees relating to the fund are charged against the fund.

Investment income and gains are allocated to the appropriate fund.

There are three designated funds in these accounts:

Property Fund
This represents that proportion of the cost of properties which was financed by charitable donations and the Charity's own resources.

Cyclical Maintenance Fund
This Fund represents amounts set aside for cyclical maintenance to meet costs in excess of budgeted expenditure for any year.

Extraordinary Repairs Fund
This Fund represents amounts set aside to carry out unexpected repairs and capital improvements on housing properties.

2 Board and key management personnel remuneration

Key management are defined as the Trustees.

None of the Trustees received any emoluments or benefits. Reimbursed expenses to trustees amounted to £619.53 of which £503.53 were travel expenses, £86 were DBS checks and £30 was a gift voucher. The Trustees have a service agreement with H&H Land & Estates who manage the properties on a day to day basis. The management fees payable were as follows:

	31/12/2025	31/12/2024
	£	£
Management fees	£42,000	£41,572

3 Surplus on Ordinary Activities

	31/12/2025	31/12/2024
	£	£
Surplus on ordinary activities is stated after charging:		
Auditors' remuneration in their capacity as Auditors	£7,260	£6,350
Surplus/(deficit) on fair value movement of investments	£13,454	£17,928

Auditors' remuneration includes £3,654 for preparing the accounts.

4 Fixed Assets: Freehold Housing Property

	Sledall Victoria and Aynam Chapel	Nobles Rest	Sandes Hospital	John Aston Watkins	Romleigh and War Memorial Gardens	Total
	£	£	£	£	£	£
Valuation 1 January 2025	1,845,000	1,013,000	470,000	250,000	240,000	3,818,000
Transfer	-	-	-	-	-	-
(Impairment)	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Valuation as at 31/12/2025	£1,845,000	£1,013,000	£470,000	£250,000	£240,000	£3,818,000

The properties were independently valued as at 31 December 2024 by Edwin Thompson on 17 April 2025. The valuations reflect the almshouse and residency restrictions which equates to existing use value - social housing as required by the Housing SORP 2018. The discount on open market value was between 35% - 50% depending on the property.

The properties were all held for letting and represented 42 general housing units.

General works to properties amounted to £77,340 (2024 - £60,620).

The original cost of the properties is a mix of the valuation at the time of transfer to the charity and subsequent development work and amounts to £3,582,047 (2024 - £3,582,047) less Social Housing grants of £449,120.

Last year the redevelopment of the Romleigh site was completed and was transferred into Freehold Housing Property from Asset in the course of construction in November 2024. This property was independently re-valued at 31 December 2024 using the same valuation methodology (existing use value minus social housing) and as such the valuation has been capped at £240,000. An impairment of £526,640 was recognised as the difference between historic cost including redevelopment and the value as at 31 December 2024.

5 Investments

	Extraordinary Repairs Fund	Permanent Endowment Fund	Cyclical Maintenance Fund	Total
	£	£	£	£
Historical cost at 1 January 2025	46,102	13,714	44,357	104,173
Historical cost at 31 December 2025	£46,102	£13,714	£44,357	£104,173
Market value at 1 January 2025	215,069	61,359	77,477	353,905
Disposals	(100,998)			(100,998)
Unrealised surplus/(deficit)	8,704	(437)	5,187	13,454
Market value at 31 December 2025	£122,775	£60,922	£82,664	£266,361

All the investments are placed with CCLA's Charities Investment Fund (COIF) and M & G's Charity Multi Asset Funds.

6 Debtors: Amounts Falling Due Within One Year

	31/12/2025	31/12/2024
	£	£
Weekly maintenance contributions	560	1,477
Other debtors	-	-
Prepayments	9,643	8,364
	£10,203	£9,841

7 Creditors: Amounts Falling Due Within One Year

	31/12/2025	31/12/2024
	£	£
Trade creditors	41,130	45,863
Bank loan due within one year	5,321	9,153
Grant received for asset in the course of construction	-	-
Asset in the course of construction contracted expenses	-	-
Accruals and deferred income	7,260	6,600
	£53,711	£61,616

8 Creditors: Amounts Falling Due After One Year

	31/12/2025	31/12/2024
	£	£
Bank loan due after one year	265,323	468,269
	£265,323	£468,269

The loan is repayable over 25 years, interest only for the first twelve months, with interest charged at base rate + 2.1%.

The loan is secured by a legal charge on the freehold housing property at Nobles Rest.

Debt analysis

Based on the lenders earliest repayment date, borrowings are repayable as follows:

	31/12/2025	31/12/2024
	£	£
Within one year or on demand	5,321	9,153
One year or more but less than two years	5,321	9,240
Two years or more but less than five years	15,964	27,720
Five years or more	244,038	431,309
	£270,644	£477,422

9 Capital grants received

The charity has received assistance in renovation projects from the Homes and Community Agency and Westmorland and Furness Council by way of grants which would only be repayable if the charity were to sell the properties or cease acting as a social housing trust. As this is a remote possibility no provision for these has been made in these accounts. The amounts involved are as follows:

	31/12/2025	31/12/2024
	£	£
Sleddall Victoria and Aynam Chapel	618,960	618,960
Nobles Rest	115,423	115,423
Sandes Hospital	102,197	102,197
John Aston Watkins	27,540	27,540
Romleigh and War Memorial Gardens	282,028	282,028
	£1,146,148	£1,146,148

This does not include grants received shown in Creditors: due within one year.

10 Permanent Endowment Funds

	Permanent Endowment Fund	Investment Revaluation Fund	Total
	£	£	£
Balance at 1 January 2025	13,714	47,645	61,359
Unrealised surplus	-	(437)	(437)
Balance at 31 December 2025	£13,714	£47,208	£60,922

11 Designated Funds

	Property Fund	Extraordinary Repairs Fund	Cyclical Maintenance Fund	Total
	£	£	£	£
Balance at 1 January 2025	1,654,858	172,156	113,894	1,940,908
Trfs (to)/from Accumulated Income reserve	-	2,758	12,329	15,087
Investment in property	206,778	(100,998)	-	105,780
Transfer for Decent Homes Standard	-	7,500	7,500	15,000
Balance at 31 December 2025	£1,861,636	£81,416	£133,723	£2,076,775

The Property fund represents internal funds invested in property.
The other funds represent funds set aside for future works on property.

12 Property Revaluation Reserve

	Social Housing Revaluation Reserve	Total
	£	£
Balance at 1 January 2025	1,577,290	1,577,290
Movement in the year	-	-
Balance at 31 December 2025	£1,577,290	£1,577,290

13 Investment Revaluation Reserve

	Extraordinary Repairs Revaluation	Cyclical Maintenance Revaluation	Total
	£	£	£
Balance at 1 January 2025	168,967	33,120	202,087
Unrealised surplus	8,704	5,187	13,891
Balance at 31 December 2025	£177,671	£38,307	£215,978

14 Accumulated Income Reserve

		£
Balance at 1 January 2025		100,103
Surplus for the year excluding movement in fair value of investments		60,198
Transfer from/(to):		
Investment in property - loan repayments	(206,778)	
From extraordinary repair fund	100,998	
Designated funds - extraordinary repair fund under spend	(2,758)	
Designated funds - cyclical maintenance fund under spend	(12,329)	
Designated funds - Decent Homes Standard	(15,000)	(135,867)
Balance at 31 December 2025		24,434

15 Analysis of net assets between funds

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Creditors due after one year £	Total 31/12/2025 £
Permanent endowment funds	-	60,922	-	-	60,922
Designated funds	2,240,710	(10,539)	111,927	(265,323)	2,076,775
Property revaluation reserve	1,577,290	-	-	-	1,577,290
Investment revaluation reserve	-	215,978	-	-	215,978
Accumulated income reserve	-	-	24,434	-	24,434
	£3,818,000	£266,361	136,361	(265,323)	£3,955,399

The net current liability position is covered by future loan drawdowns and promised grants.

Comparatives:	Tangible Fixed Assets £	Investments £	Net Current Liability £	Creditors due after one year £	Total 31/12/2024 £
Permanent endowment funds	-	61,359	-	-	61,359
Designated funds	2,190,710	90,459	128,008	(468,269)	1,940,908
Property revaluation reserve	1,577,290	-	-	-	1,577,290
Investment revaluation reserve	-	202,087	-	-	202,087
Accumulated income reserve	-	-	50,103	-	50,103
	£3,768,000	£353,905	178,111	(468,269)	£3,831,747

STABLES THOMPSON & BRISCOE
www.stb-accountants.co.uk

Our reference: HH/KEN120

8 April 2026

The Trustees
Kendal Almshouse Charity
c/o 36 Finkle Street
Kendal
LA9 4AB

Dear Ladies and Gentlemen,

Kendal Almshouse Charity – Report to Management for the period ended 31 December 2025

It is normal procedure on completion of our audit work to write to inform you of the results of our audit and any findings where we consider that changes should be made to your accounting procedures.

The general findings of our audit were that the charity's financial transactions had been well controlled and that the accounting records had been accurately maintained.

There were a number of matters which arose during the course of our audit which we consider should be brought to your attention, or recommendations for possible improvements which could be made.

These matters came to light during the course of our normal audit tests which are designed to assist us in forming our opinion on the financial statements. Our tests may not necessarily disclose all errors or irregularities and should not be relied upon to do so. However, if any irregularity did come to our attention during our audit tests, we would, of course, inform you immediately.

We would be grateful if you could enter your comments against each point under the "comments" column of the memorandum and return it to us in due course.

We have complied with the Ethical Standard for Auditors and all threats to our independence have been properly addressed through appropriate safeguards. No additional facts or matters have arisen during the course of the audit that we wish to draw to your attention, and we confirm that we are independent and able to express an objective opinion on the financial statements.

This report has been prepared for the sole use of the trustees of the Kendal Almshouse Charity and with the exception of the Homes and Communities Agency Regulation Committee must not be shown to third parties without our prior consent. No responsibilities are accepted by Stables Thompson & Briscoe towards any party acting or refraining from action as a result of this report.

Finally, we would like to express our thanks to all members of the charity's staff who assisted us in carrying out our work.

Yours sincerely

Kendal Office:
Lowther House, Lowther Street, Kendal, Cumbria LA9 4DX
Tel: (01539) 720465 Email: enquiries@stb-accountants.co.uk
Kirkby Stephen Office:
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Stables Thompson & Briscoe Ltd - Registered in England - Company number 6329610 Registered office - Lowther House, Lowther Street, Kendal, Cumbria LA9 4DX
A list of Directors is available at www.stb-accountants.co.uk/about-us/our-directors

KENDAL ALMSHOUSE CHARITY

SIGNIFICANT MATTERS RELEVANT TO OUR AUDIT FOR THE YEAR ENDED 31 DECEMBER 2025

Audit approach

There were no changes to our audit approach as set out in our meeting with you.

POINTS NOTED, IMPLICATIONS AND RECOMMENDATIONS	COMMENTS
Seven related party transactions (RPT) were identified totalling £619.53. Any reimbursed expenses to trustees, however small, need identifying for disclosure in the accounts.	
There were some invoices dated incorrectly on QuickBooks (United Utility bills in February 2025). This has not impacted the accounts as they were in the correct period, however, it is best practice to ensure the date is correct.	

Internal controls

The purpose of the audit was for us to express an opinion on the financial statements. The audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Our audit is, therefore, not designed to identify all control weaknesses and the matters reported are limited to those deficiencies that we have identified during the audit.

Summary of audit differences and draft letter of representation

The total unadjusted misstatements identified in our audit work amounted to £662.

We have sent a draft letter of management representations required in connection with our audit to you separately for approval.

Anticipated audit report

We anticipate that we will issue an unmodified audit report for the year, subject to the satisfactory clearance of any outstanding/unresolved the matters outlined in this report.

KENDAL ALMSHOUSE CHARITY

England & Wales - Charity number 1172208

Accounts

KENDAL ALMSHOUSE CHARITY

Registered Charity Number 1172208

Homes England 5097

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

Stables Thompson & Briscoe
Chartered Accountants
Statutory Auditors

KENDAL ALMSHOUSE CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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KENDAL ALMSHOUSE CHARITY

CHARITY INFORMATION

Established as CIO	22 March 2017
Principal Office	Suite 1, Cumbria Tourism Business Centre Windermere Road Staveley LA8 9PL
Registered Numbers	Registered Charity Number 1172208 Homes and Communities Agency Registration Number A1059
Trustees	Mr P G Ducksbury (Chair) Ms C Roberson (Vice Chair) Miss S J Barron (appointed 17 July 2023) Mrs H Fitch Ms L Gray Mrs J Hale Miss D Lund Mr J Stirling
Managing agent	H & H Land & Estates Suite 1, Cumbria Tourism Business Centre Windermere Road Staveley LA8 9PL Tel: 01539 721375
Bankers	Barclays Bank Plc 9 Highgate Kendal Cumbria LA9 4DF
Independent Auditors	Stables Thompson & Briscoe Chartered Accountants Statutory Auditors Lowther House Lowther Street Kendal LA9 4DX

The Trustees present their report and the audited financial statements for the year ended 31 December 2024.

Governance, Aims, Structure and Management

Governing Document

The Kendal Almshouse Charity was originally five charitable organisations registered with the Charity Commission. In 1987, the charities were amalgamated to create the Kendal Almshouse Charity under a Memorandum of Association which established the objects and powers of the charitable organisation, dated 2 December 1987. In 2014 the assets and liabilities of Kendal War Memorial Trust were acquired by Kendal Almshouse Charity.

In March 2017, the Charity Commission approved the conversion to a Charitable Incorporated Organisation (CIO). All the assets and operations were transferred into the CIO from June 2017. The Charity Number of the CIO is 1172208.

Recruitment and Appointment of Trustees

There are eight Trustees at the date of this report, with one new trustee recruited during the last year.

Mr P G Ducksbury remains Chair. Ms C Roberson remains as Vice Chair. Mrs J Hale is currently Chair of the Finance Committee, Mrs H Fitch is Chair of the Lettings Committee and Miss D Lund is Chair of the Building Committee.

Ten Trustees would be the ideal structure. Trustees are encouraged to "network" to find suitable new Trustees and the Charity advertises positions available.

The skills of the Trustees are regularly reviewed, and they are all encouraged to take a lead in an aspect of the Charity business. Each Trustee is appointed to at least one of the three committees; Finance, Buildings or Lettings.

It is the policy of the Charity to appoint Trustees with experience in the letting of residential property, care of the elderly and those in need, building construction, finance, investment and legal matters.

Trustee Induction and Training

Prior to appointment of new Trustees, the candidates are provided with an induction pack which includes the Governing Instrument and minutes of recent quarterly meetings of the committees and the full Trustees.

The Chair and Clerk meet candidates to discuss the background, history and policy of the Charity, together with the future plans and objectives of the organisation, before their appointment. Each potential Trustee attends a quarterly Trustee meeting, as an observer, before being appointed.

Charity Commission publications are also made available, together with publications from the National Association of Almshouses of which Kendal Almshouse Charity is a member. The standard of Almshouse Management publication is made available for candidates.

New Trustees are issued with a Trustee Handbook which details how the Charity is run and what is expected of them.

The implications of being a Registered Social Housing Provider are also explained to new Trustees.

Organisational Structure

The Finance Committee meets at least every quarter, before each quarterly Trustee meeting. The Letting Committee and Building Committee meet regularly. Recently appointed Trustees are appointed to a specific Committee which is relevant to their experience.

All committees comprise a minimum of three Trustees and operate under terms of reference.

The Letting Committee meets to decide to appoint applicants seeking a home, based on the aims and objectives of the Charity and the circumstances of the individual applicants. It also liaises with the Building Committee as regards upgrading of vacant units.

The function of the Building Committee is to advise the Trustees on major improvements, refurbishment schemes and the conclusions of the quinquennial survey reports. Quinquennial reports are obtained on the general condition of the housing stock with recommendations on improvements and urgent repairs needed. These reports are undertaken by a professional Building Surveyor. Quinquennial inspections were last undertaken in 2020 and we are in the process of obtaining tenders for quinquennial surveys on all the property stock in 2025. There are no significant building repairs required but there is an ongoing programme of replacing boilers, internal upgrades and external decoration.

The Building Committee has been concentrating on the redevelopment of the "Romleigh" site which has been vacant since 2019. The demolition of the original bungalow and construction of two semi- detached one bedroom dwellings, known as 1 & 2 Romleigh, was completed in November 2024. No.2 Romleigh has been occupied since January 2025 and No. 1 Romleigh has been occupied since March 2025, each paying a weekly maintenance contribution of £150 per week.

The final contract sum was £570,000. There is a 12-month retention of £14,250 which will be due in November 2025. The total project costs were c.£682,000.

The Charity secured total grant funding of £248,000; £208,000 from Homes England and £40,000 from Westmorland & Furness Council (WFC) which has been paid in full. Homes England has audited Kendal Almshouse Charity and reported that everything is satisfactory and there are no breaches.

The Charity obtained a loan from Charity Bank in the sum of £480,000, part of which was used to settle the outstanding Barclays loan taken out for the refurbishment of the Sleddal Victoria Almshouses after the devastation caused by flooding in 2015, resulting in net borrowings of c.£270,000 towards the Romleigh project. The loan was secured against the properties at Nobles Rest. The full loan was drawn down at the end of June 2024. The loan outstanding at 31 December 2024 was £477,422.43.

The remaining cost of the Romleigh project were met from the Charity's reserves, further details of which are provided below.

The charity follows the rules and regulations of Homes England.

Risk Management

The Finance Committee monitors the suitability and adequacy of the investments, taking into account the operational and other requirements of the Charity. It normally meets immediately prior to the full trustees meeting, providing accurate and timely reporting.

The investments are monitored by the Finance Committee. The Accountants are Registered Auditors, and the Clerk is a member of the Royal Institute of Chartered Surveyors, H & H Land & Estates.

Risk Management (continued)

Together with the existing management structure and administrative arrangements in place, regular monitoring of the agreed risk management policy and applicable indemnity insurance arrangements, the Trustees are satisfied that appropriate risk management practices are in place to meet the needs of the Charity and protect its activities.

To address the potential risk associated with the impending retirement of the Clerk, the Trustees have agreed and signed a Service level Agreement with the Clerk's professional offices, Chartered Surveyors. The Clerk's Office has instigated the gradual transfer and delegation of the Clerk's duties to colleagues, including the Accounts and Administration Department. The Service Level Agreement was renewed from 1st January 2024 for a three year period.

The Trust regularly reviews its policies by looking at two to three at each quarterly meeting. During 2024, up to the present date, almost all the policies and the risk assessment have been reviewed and updated.

The main risk to the Charity during the last year has been the Romleigh project, however, that is now completed. The project overran by about six months and cost approximately £40,000 more than originally anticipated but the additional expenditure could still comfortably be met from the reserves.

Increases in interest rates are a risk and now that the final project costs are known, the Finance Committee will consider the merits of using some of the reserves to reduce the loan balance at the May 2025 meeting.

Going forward, the main risks are repairs and maintenance required to properties, upgrades required to comply with legislation (particularly with regard to Minimum Energy Efficiency Standards) and breaches by occupiers. However, given the current governance and organisation structure, these risks are not considered significant.

Conflicts of Interest

At the start of each meeting of Trustees, including Committee meetings, attendees are asked to declare any conflicts of interest.

During the period all Trustees signed a declaration that they are not connected to any of the regular suppliers and contractors engaged by the Charity.

Objectives and Activities

Public Benefit

The Charity's principal objective is to provide a wide range of affordable unfurnished homes for those in need and who reside in the town of Kendal, Cumbria, and adjoining parishes, as defined in the Charity's Governing Instrument. Depending on the level of interest from these areas, it is permissible to extend the defined region into the areas formally within the District of South Lakeland and the Borough of Barrow-in-Furness (now within Westmorland & Furness Council).

The Trustees confirm that they have reviewed the Charity Commission's guidance on the provision of public benefit and consider that the public benefit requirement is duly satisfied by the activities carried out in achieving the Charity's objectives.

Vacancies for almshouses are advertised in a local weekly newspaper and on the Charity's website. Applicants are required to complete a detailed application form. All applications are formally considered by the Letting Committee, which will interview applicants as necessary. No restrictions are placed on applications by virtue of gender or for social, religious or ethnic reasons.

Public Benefit (continued)

Under the provisions of the Governing Instrument, preference is given to persons aged 50 years or more. Westmorland and Furness Council works closely with the Charity to help identify those in need in the area. The Charity also liaises with Social Services to adapt properties for the benefit of occupiers.

At the date of this report, all housing stock is occupied; there are no vacancies and no significant arrears.

Achievements and Performance

Target Rents

The weekly maintenance contributions are maintained within the guidelines of the Homes and Communities Agency. All the housing stock are now at target rents. The weekly maintenance contributions were reviewed and increased in line with the Homes England guidelines, with effect from January 2024.

Improvements and Maintenance

Regular inspections covering the general condition of the Charity's properties are undertaken by the Clerk's office, and where necessary a qualified building surveyor, to highlight improvements and other work needed to maintain the buildings in a good state of long-term repair. Additionally, the opportunity is normally taken, when a property becomes vacant, to improve the facilities as necessary. Supporting initiatives involve upgrading the quality of the Charity's housing stock to achieve Decent Homes Standards, a requirement of the Homes England as Kendal Almshouse Charity is a Registered Social Housing Provider (RSHP).

The last quinquennial building surveys were undertaken in 2020 and focused on the nine almshouses at Sandes Hospital and two at Romney Road. All items highlighted to be addressed in the medium term have been addressed. The other almshouses were surveyed prior to 2020 but the Sleddal Victoria Almshouses were substantially refurbished and restored after the 2015 floods, to comply with Decent Home Standard Status, and Nobles Rest has undergone improvements, such as new windows and doors.

Romleigh was demolished in 2023 and replaced with two new energy-efficient one-bedroom almshouses, completed November 2024.

External decoration of the rear elevations of the Sleddal Victoria almshouses was completed in 2024. As properties have become vacant, they have undergone minor improvements and refurbishment.

The Charity adheres to regulatory requirements in respect of annual gas safety certificates and five yearly Electrical Installation Certificate Reports (EICRs). It takes a pro-active approach to replacing boilers which are nearing the end of their life.

It has been identified through property inspections that Nos. 30A & 30B Aynam Road may require re-pointing in 2025 and quotations are being sought for this. There are no other significant capital works or improvements proposed for 2025.

Financial Review

An annual budget was considered and agreed by the Trustees at the 2024 and 2025 meetings, based on the recommendations from the National Association of Almshouses for annual amounts for each of the three designated funds, being routine maintenance, extraordinary repairs and cyclical maintenance.

Financial Review (continued)

The outcome of the charity's operations for the year ended 31st December 2024 shows an operating surplus in the Statement of Comprehensive Income of £344,979 which includes grants of £248,000. If grants are excluded this would be £96,979 up £37,910 on 2023. Total comprehensive income was £673,488 for the year which was higher than the total of £72,750 for 2023 primarily due to the revaluation of the housing properties.

The costs relating to Romleigh have been capitalised.

Reserves Policy

At 31 December 2024 the Charity had a surplus on accumulated income of £100,103 before the long term mortgage of £468,269.

The Trustees have adopted a reserves policy to build a free reserve equivalent to one year's income from weekly maintenance contributions (currently £235,000). The reserve set aside provides financial stability and the means to the development of the principle activity. Our reserve level is set with the knowledge that significant void levels may occur due to the age and type of properties. Trustees are aware that some properties lie within the Kendal Flood Zone and have experience of significant prolonged voids as a consequence of flooding, although flood prevention measures are currently under construction.

The Trustees meet regularly, quarterly, to review the amount of reserves that are required to ensure that they are adequate to fulfil the continuing obligations.

It was proposed to use £100,000 of the accumulated income for the Romleigh project in 2024, with another £100,000 required for Romleigh coming from the Emergency Repair Fund investments if required. To date £13,061 of accumulated income has been used. However, Trustees will consider whether to use further reserves to reduce the balance of the loan at the next Trustees meeting in May 2025.

The total investments at 31 December 2024 are £353,905.

Investment Policy

The Charity's objective for the investment of funds not required for short-term and medium-term operational reasons is to apply such funds so as to achieve a balance between income generation and capital growth over the longer term, consistent with the degree of risk considered acceptable by the Trustees. Accordingly, the funds are invested in COIF and NAACIF which are considered to provide an adequate spread of risk and an acceptable return and are monitored regularly by the Finance Committee.

Value for money

Kendal Almshouse Charity assesses how it is achieving value for money in delivering its purpose and objectives, in accordance with the regulator's standard on value for money. This means managing resources economically, efficiently and effectively to provide quality services and homes. The Trustees review target rents, investment performance, expenses and the charity's resources while seeking to achieve decent homes standard and maintain the level of service expected by tenants.

Value for money metrics

Kendal Almshouse Charity is a small provider for the purposes of disclosure of the Value for Money Metrics. Disclosures are as follows:

	2024	2023	2022	2021	2020
Reinvestment %	0%	0%	0%	0%	0%
New supply delivered	0%	0%	0%	0%	0%
Gearing	17%	11%	8%	8%	8%
EBITDA MRI Interest cover	308%	331%	580%	-286%	1115%
Headline Social Housing Cost per unit	£3,370	£3,837	£4,535	£5,033	£2,255
Operating margin	147%	26%	23%	-11%	26%
Return on Capital Employed	9%	2%	1%	-1%	1%

The Value for Money Metrics are variable as this is a small RSL and any project will affect the ratios more than larger RSLs.

Statement of compliance

Kendal Almshouse Charity as a registered provider of social housing assesses compliance with the Governance and Financial Viability Standard code of Practice issued by the Homes and Communities Agency in April 2015 on an annual basis. The Charity has in place procedures and policies to comply with the code of practice and the trustees review these regularly.

Approved by the Trustees on 12 May 2025 and signed on their behalf by:

P G Ducksbury
Chair

STATEMENT OF TRUSTEES' RESPONSIBILITIES

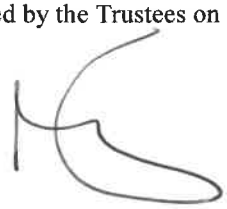
The Charities Acts and registered social housing legislation require the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the surplus or deficit for that period.

In preparing the financial statements the Trustees are required to:

- select suitable accounting policies and 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 operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. The Trustees are responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 12 May 2025 and signed on their behalf by:



P G Ducksbury
Chair

Independent Auditor's report to the Trustees of Kendal Almshouse Charity

Opinion

We have audited the financial statements of Kendal Almshouse Charity for the year ended 31 December 2024, which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 December 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the board report; or

- sufficient accounting records have not been kept; or

Matters on which we are required to report by exception continued

- the financial statements are not in agreement with the accounting records; or

- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of the board

As explained more fully in the board's responsibilities statement set out on page 7, the board members (who are also the trustees of the association for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our experience and from discussions with management. We reviewed any related correspondence and records of trustee meetings to assess compliance with laws and regulations and discussed the current position with management. We ensured the audit team were alert for any indications of non-compliance throughout the audit work.

The charitable company is managed by a management company which reduces the risk of fraud. We assessed the management company's policies and procedures on fraud risks. No instances of actual, suspected or alleged fraud were identified by us or the managing company in the year.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of controls. We are not responsible for preventing non-compliance and cannot be expected to detect compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Use of this report

This report is made solely to the association's board, 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 association's board those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's board as a body, for our audit work, for this report, or for the opinions we have formed.

Stables Thompson & Briscoe
Statutory Auditor

Lowther House
Lowther Street
Kendal
Cumbria
LA9 4DX

Date: 27 May 2025

Stables Thompson & Briscoe is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF COMPREHENSIVE INCOME (INCLUDING INCOME AND EXPENDITURE)

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Year ended 31/12/2024		Year ended 31/12/2023	
		£	£	£	£
Turnover					
Maintenance contributions from residents			241,443		221,910
Less: losses from voids			(6,397)		(5,651)
			235,046		216,259
Operating Costs					
Services		35,988		32,741	
Routine maintenance		26,389		29,050	
Cyclical maintenance		21,810		25,578	
Extraordinary repairs		12,421		33,934	
Management		41,572		36,000	
			(138,180)		(157,303)
Other income					
Donations and wayleave		113		113	
Grant received for Romleigh development		248,000		-	
			248,113		113
Operating Surplus/(Deficit)			344,979		59,069
Income from fixed asset investments			3,698		3,570
Interest receivable and similar income			2,904		2,326
Interest and financing costs			(32,381)		(17,626)
Movement in fair value of investments	5		17,928		25,411
Downward revaluation of housing properties			(526,640)		-
Surplus/(Deficit) on Ordinary Activities Before Taxation	3		(189,512)		72,750
Taxation on surplus on ordinary activities	1 (o)		-		-
Surplus / (deficit) for the year			(189,512)		72,750
Revaluation of tangible fixed assets	4		863,000		-
Total comprehensive income for the year			673,488		72,750

These financial statements were approved by the Trustees on 12 May 2025 and signed on their behalf by:

P G Ducksbury
Trustee

Mrs J Hale
Trustee

The annexed notes form part of these financial statements.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 DECEMBER 2024

	Restricted reserves £	Endowment reserves £	Designated reserves £	Property Revaluation reserve £	Investment Revaluation reserve £	Accumulated income £	Total £
At 31 December 2022 and 1 January 2023	-	55,814	2,097,103	714,290	164,293	104,009	3,135,509
Surplus (deficit) for the year	-	4,030			21,381	47,339	72,750
Transfers between reserves	-		(73,061)			73,061	-
Investment in property							-
Total comprehensive income	-	4,030	(73,061)	-	21,381	120,400	72,750
At 31 December 2023 and 1 January 2024	-	59,844	2,024,042	714,290	185,674	224,409	3,208,259
Surplus (deficit) for the year	-	1,515			16,413	(207,440)	(189,512)
Transfers between reserves	-		(83,134)			83,134	-
Revaluation				863,000			863,000
Total comprehensive income	-	1,515	(83,134)	863,000	16,413	(124,306)	673,488
At 31 December 2024	-	61,359	1,940,908	1,577,290	202,087	100,103	3,881,747

The annexed notes form part of these financial statements.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Notes	31/12/2024		31/12/2023	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	4		3,818,000		2,795,000
Asset in the course of construction	4		-		641,486
Investments	5		353,905		335,977
			4,171,905		3,772,463
Current Assets					
Debtors	6	9,841		10,472	
Bank Current account		72,969		32,794	
Bank Deposit accounts		156,917		210,320	
		239,727		253,586	
Creditors					
Amounts falling due within one year	7	(61,616)		(526,527)	
Net Current Assets			178,111		(272,941)
Total assets less current liabilities			4,350,016		3,499,522
Creditors					
Amounts falling due after one year	8		(468,269)		(291,263)
Total Net Assets	15		£3,881,747		£3,208,259
The Funds of the Charity					
Permanent endowment funds	10		61,359		59,844
Designated funds	11		1,940,908		2,024,042
Property revaluation reserve	12		1,577,290		714,290
Investment revaluation reserve	13		202,087		185,674
Accumulated income reserve	14		100,103		224,409
			£3,881,747		£3,208,259

These financial statements were approved by the Trustees on 12 May 2025
and signed on their behalf by:

Jennifer Hale

P G Ducksbury
Trustee

Mrs J Hale
Trustee

The annexed notes form part of these financial statements.

1 Principal Accounting Policies

a) **Legal status**

Kendal Almshouse Charity is an Charitable Incorporated Organisation (CIO) registered with the Charity Commission on 22 March 2017 (number 1172208) and is a private registered provider of social housing in the United Kingdom.

The Charity constitutes a public benefit entity as defined by FRS 102.

b) **Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2022. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Charities Act 2011. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the Registered Provider, and rounded to the nearest £.

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

As a small entity, the Charity is not required to produce a Cash Flow Statement.

c) **Going concern**

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

d) **Tangible fixed assets**

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

The Charity's tangible fixed assets are made up of housing properties which are principally almshouses some of which were acquired in 1887 and have previously been recorded in the accounts at cost, which was well below the existing use value as social housing (EUV - SH) or open market value. When the properties were transferred to the CIO the opportunity was taken to value the properties and the EUV-SH value has been brought into these accounts (see note 4).

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value. In the case of the housing properties held at valuation, depreciation is considered to be immaterial due to the high residual value and so is not provided.

Freehold land is not depreciated. Housing properties under construction are not depreciated until they are in use and the useful economic lives of all tangible fixed assets are reviewed annually.

1 Principal Accounting Policies (continued)

d) **Tangible fixed assets (continued)**
As the housing properties are now shown at existing use valuation for social housing, and the open market value of these properties is roughly twice the EUV-SH value, the residual value of the properties is considered to be higher than the carrying value and as such depreciation is not provided.

The valuations will be reviewed on a regular basis.

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

Rights of social landlords to have improvement works carried out to properties by a third party (such as a local authority) are recognised as prepayments where payment has occurred in advance of the works being carried out and receipts in advance from the same third party recognised as liabilities. Assets and liabilities or income and expenditure are not offset.

f) **Investments**
Investments are recognised initially at cost. Subsequently, they are measured at fair value through the statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

g) **Loans and borrowings**
Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

h) **Social Housing Grants (SHG) and Other Grants**
SHG received as a grant towards revenue expenditure is matched against that expenditure by being included in turnover in the income and expenditure account. The related expenditure is included under operating costs. SHG is recognised in the same period as the related expenditure provided the conditions for its receipt have been satisfied and there is reasonable assurance that the grant will be received. Capital grants are shown in liabilities until the project is completed and then released to turnover.

i) **Provisions**
Provisions are recognised when the Charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Provisions for cyclical maintenance or major works to existing stock are not made unless they represent commitments or obligations at the Balance Sheet date where there is no discretion to avoid or delay the expenditure.

Recycled Capital Grants Fund

Capital grants can be recycled under certain condition, if a property is sold, or if another relevant event takes place. Recycled grants can be used for projects approved by the Homes and Communities Agency (HCA) and they are credited to the Recycled Capital Grant Fund within liabilities.

1 Principal Accounting Policies (continued)

i) Provisions (continued)

In certain circumstances, such as the sale of housing properties, capital grants may be repayable, and, in that event, is subordinated to the repayment of other loans by agreement with the Homes and Communities Agency (HCA). It is accounted for as soon as the liability arises within Creditors: Amounts falling due within one year. When any grant to be recycled or repaid is less than the grant relating to the disposal, the difference is treated as abated grant. Abated capital grants are treated as a component of the surplus or deficit on disposal.

j) Turnover and other income

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

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Homes and Communities Agency.

Property Managed by Agents
Where the Charity carries the financial risk on property managed by agents, all the income and expenditure arising from the property is included in the Statement of Comprehensive Income.

Where the agency carries the financial risk, the Statement of Comprehensive Income includes only that income and expenditure which relates solely to the Charity.

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

k) Routine Repairs and Maintenance

The costs of routine repairs and maintenance are charged to the Income and Expenditure Account in the year in which they are incurred.

l) Extraordinary Repairs

Costs of extraordinary repairs, unless representing capital improvements to the properties, are charged to the Income and Expenditure Account in the year in which they are incurred.

m) Value Added Tax

Kendal Almshouse Charity is not registered for VAT. In these financial statements, where applicable, expenditure is shown inclusive of VAT.

n) Current Taxation

No taxation is payable by Kendal Almshouse Charity since it has charitable status and its charitable activities are exempt from tax.

1 Principal Accounting Policies (continued)

o) Designated and Restricted Funds

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

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

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

Endowment funds represent those assets which must be held permanently by the Charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal fees relating to the fund are charged against the fund.

Investment income and gains are allocated to the appropriate fund.

There are three designated funds in these accounts:

Property Fund
This represents that proportion of the cost of properties which was financed by charitable donations and the Charity's own resources.

Cyclical Maintenance Fund
This Fund represents amounts set aside for cyclical maintenance to meet costs in excess of budgeted expenditure for any year.

Extraordinary Repairs Fund
This Fund represents amounts set aside to carry out unexpected repairs and capital improvements on housing properties.

2 Board and key management personnel remuneration

Key management are defined as the Trustees.

None of the Trustees received any emoluments or had reimbursed expenses except for J Stirling who was reimbursed £6.30 travel expenses. The Trustees have a service agreement with H&H Land & Estates who manage the properties on a day to day basis. The management fees payable were as follows:

	31/12/2024	31/12/2023
	£	£
Management fees	£41,572	£40,200

3 Surplus on Ordinary Activities

	31/12/2024	31/12/2023
	£	£
Surplus on ordinary activities is stated after charging:		
Auditors' remuneration in their capacity as Auditors	£6,350	£6,350
Surplus/(deficit) on fair value movement of investments	£17,928	-

Auditors' remuneration includes £3,654 for preparing the accounts.

4 Fixed Assets: Freehold Housing Property

	Sledall Victoria and Aynam Chapel	Nobles Rest	Sandes Hospital	John Aston Watkins	Romleigh and War Memorial Gardens	Total
	£	£	£	£	£	£
Valuation 1 January 2024	1,370,000	715,000	450,000	180,000	80,000	2,795,000
Transfer	-	-	-	-	686,640	686,640
(Impairment)	-	-	-	-	(526,640)	(526,640)
Revaluation	475,000	298,000	20,000	70,000	-	863,000
Valuation as at 31/12/2024	£1,845,000	£1,013,000	£470,000	£250,000	£240,000	£3,818,000

The properties were independently valued as at 31 December 2024 by Edwin Thompson on 17 April 2025. The valuations reflect the almshouse and residency restrictions which equates to existing use value - social housing as required by the Housing SORP 2018. The discount on open market value was between 35% - 50% depending on the property.

The properties were all held for letting and represented 42 general housing units.

General works to properties amounted to £60,620 (2023 - £88,562).

The original cost of the properties is a mix of the valuation at the time of transfer to the charity and subsequent development work and amounts to £3,582,047 (2023 - £2,895,407) less Social Housing grants of £449,120.

During the year, the redevelopment of the Romleigh site was completed and was transferred into Freehold Housing Property from Asset in the course of construction in November 2024. This property was independently re-valued at 31December 2024 using the same valuation methodology (existing use value minus social housing) and as such the valuation has been capped at £240,000. An impairment of £526,640 has been recognised as the difference between historic cost including redevelopment and the value as at 31 December 2024.

Asset in the course of construction

	Romleigh £	Total £
Historical cost at 1 January 2024	641,486	641,486
Additions	45,154	45,154
Transfer to Freehold Housing Property	(686,640)	
Cost at 31 December 2024	-	£686,640

Grants of £208,000 were received from Homes England towards this development and a further £40,000 was received from Westmorland and Furness Council.

5 Investments

	Extraordinary Repairs Fund £	Permanent Endowment Fund £	Cyclical Maintenance Fund £	Total £
Historical cost at 1 January 2024	46,102	13,714	44,357	104,173
Historical cost at 31 December 2024	£46,102	£13,714	£44,357	£104,173
Market value at 1 January 2024	201,916	59,844	74,217	335,977
Unrealised surplus/(deficit)	13,153	1,515	3,260	17,928
Market value at 31 December 2024	£215,069	£61,359	£77,477	£353,905

All the investments are placed with COIF and M&G.

6 Debtors: Amounts Falling Due Within One Year

	31/12/2024 £	31/12/2023 £
Weekly maintenance contributions	1,477	1,553
Other debtors	-	1,284
Prepayments	8,364	7,635
	£9,841	£10,472

7 Creditors: Amounts Falling Due Within One Year

	31/12/2024 £	31/12/2023 £
Trade creditors	45,863	68,243
Bank loan due within one year	9,153	6,417
Grant received for asset in the course of construction	-	156,000
Asset in the course of construction contracted expenses	-	289,267
Accruals and deferred income	6,600	6,600
	£61,616	£526,527

8 Creditors: Amounts Falling Due After One Year

	31/12/2024	31/12/2023
	£	£
Bank loan due after one year	468,269	291,263
	£468,269	£291,263

The loan is repayable over 25 years, interest only for the first twelve months, with interest charged at base rate + 2.1%.

The loan is secured by a legal charge on the freehold housing property at Nobles Rest.

Debt analysis

Based on the lenders earliest repayment date, borrowings are repayable as follows:

	31/12/2024	31/12/2023
	£	£
Within one year or on demand	9,153	6,417
One year or more but less than two years	9,240	15,400
Two years or more but less than five years	27,720	61,600
Five years or more	431,309	214,263
	£477,422	£297,680

9 Capital grants received

The charity has received assistance in renovation projects from the Homes and Community Agency and Westmorland and Furness Council by way of grants which would only be repayable if the charity were to sell the properties or cease acting as a social housing trust. As this is a remote possibility no provision for these has been made in these accounts. The amounts involved are as follows:

	31/12/2024	31/12/2023
	£	£
Sleddall Victoria and Aynam Chapel	618,960	618,960
Nobles Rest	115,423	115,423
Sandes Hospital	102,197	102,197
John Aston Watkins	27,540	27,540
Romleigh and War Memorial Gardens	282,028	34,028
	£1,146,148	£898,148

This does not include grants received shown in Creditors: due within one year.

10 Permanent Endowment Funds

	Permanent Endowment Fund	Investment Revaluation Fund	Total
	£	£	£
Balance at 1 January 2024	13,714	46,130	59,844
Unrealised surplus		1,515	1,515
Balance at 31 December 2024	£13,714	£47,645	£61,359

11 Designated Funds

	Property Fund	Extraordinary Repairs Fund	Cyclical Maintenance Fund	Total
	£	£	£	£
Balance at 1 January 2024	1,789,447	150,239	84,356	2,024,042
Trfs (to)/from Accumulated Income reserve		14,417	22,038	36,455
Investment in property	(134,589)	-	-	(134,589)
Transfer for Decent Homes Standard		7,500	7,500	15,000
Balance at 31 December 2024	£1,654,858	£172,156	£113,894	£1,940,908

The Property fund represents internal funds invested in property.
The other funds represent funds set aside for future works on property.

12 Property Revaluation Reserve

	Social Housing Revaluation Reserve	Total
	£	£
Balance at 1 January 2024	714,290	714,290
Movement in the year	863,000	863,000
Balance at 31 December 2024	£1,577,290	£1,577,290

13 Investment Revaluation Reserve

	Extraordinary Repairs Revaluation	Cyclical Maintenance Revaluation	Total
	£	£	£
Balance at 1 January 2024	155,814	29,860	185,674
Unrealised surplus	13,153	3,260	16,413
Balance at 31 December 2024	£168,967	£33,120	£202,087

14 Accumulated Income Reserve

		£
Balance at 1 January 2024		224,409
Surplus for the year excluding movement in fair value of investments		(207,440)
Transfer from/(to):		
Investment in property - loan movements	179,743	
Investment in property - additions	(45,154)	
Designated funds - extraordinary repair fund under spend	(14,417)	
Designated funds - cyclical maintenance fund under spend	(22,038)	
Designated funds - Decent Homes Standard	(15,000)	83,134
Balance at 31 December 2024		100,103

15 Analysis of net assets between funds

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Creditors due after one year £	Total 31/12/2024 £
Permanent endowment funds	-	61,359	-	-	61,359
Designated funds	2,240,710	90,459	78,008	(468,269)	1,940,908
Property revaluation reserve	1,577,290	-	-	-	1,577,290
Investment revaluation reserve	-	202,087	-	-	202,087
Accumulated income reserve	-	-	100,103	-	100,103
	£3,818,000	£353,905	178,111	(468,269)	£3,881,747

The net current liability position is covered by future loan drawdowns and promised grants.

Comparatives:	Tangible Fixed Assets £	Investments £	Net Current Liability £	Creditors due after one year £	Total 31/12/2023 £
Permanent endowment funds	-	59,844	-	-	59,844
Designated funds	2,080,710	90,459	144,136	(291,263)	2,024,042
Property revaluation reserve	714,290	-	-	-	714,290
Investment revaluation reserve	-	185,674	-	-	185,674
Accumulated income reserve	641,486	-	(417,077)	-	224,409
	£3,436,486	£335,977	(272,941)	(291,263)	£3,208,259

KENDAL ALMSHOUSE CHARITY

Registered Charity Number 1172208

Homes England 5097

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

Stables Thompson & Briscoe
Chartered Accountants
Statutory Auditors

KENDAL ALMSHOUSE CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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KENDAL ALMSHOUSE CHARITY

CHARITY INFORMATION

Established as CIO	22 March 2017
Principal Office	Suite 1, Cumbria Tourism Business Centre Windermere Road Staveley LA8 9PL
Registered Numbers	Registered Charity Number 1172208 Homes and Communities Agency Registration Number A1059
Trustees	Mr P G Ducksbury (Chair) Ms C Roberson (Vice Chair) Miss S J Barron (appointed 17 July 2023) Mrs H Fitch Ms L Gray Mrs J Hale Miss D Lund Mr J Stirling
Managing agent	H & H Land & Estates Suite 1, Cumbria Tourism Business Centre Windermere Road Staveley LA8 9PL Tel: 01539 721375
Bankers	Barclays Bank Plc 9 Highgate Kendal Cumbria LA9 4DF
Independent Auditors	Stables Thompson & Briscoe Chartered Accountants Statutory Auditors Lowther House Lowther Street Kendal LA9 4DX

The Trustees present their report and the audited financial statements for the year ended 31 December 2024.

Governance, Aims, Structure and Management

Governing Document

The Kendal Almshouse Charity was originally five charitable organisations registered with the Charity Commission. In 1987, the charities were amalgamated to create the Kendal Almshouse Charity under a Memorandum of Association which established the objects and powers of the charitable organisation, dated 2 December 1987. In 2014 the assets and liabilities of Kendal War Memorial Trust were acquired by Kendal Almshouse Charity.

In March 2017, the Charity Commission approved the conversion to a Charitable Incorporated Organisation (CIO). All the assets and operations were transferred into the CIO from June 2017. The Charity Number of the CIO is 1172208.

Recruitment and Appointment of Trustees

There are eight Trustees at the date of this report, with one new trustee recruited during the last year.

Mr P G Ducksbury remains Chair. Ms C Roberson remains as Vice Chair. Mrs J Hale is currently Chair of the Finance Committee, Mrs H Fitch is Chair of the Lettings Committee and Miss D Lund is Chair of the Building Committee.

Ten Trustees would be the ideal structure. Trustees are encouraged to "network" to find suitable new Trustees and the Charity advertises positions available.

The skills of the Trustees are regularly reviewed, and they are all encouraged to take a lead in an aspect of the Charity business. Each Trustee is appointed to at least one of the three committees; Finance, Buildings or Lettings.

It is the policy of the Charity to appoint Trustees with experience in the letting of residential property, care of the elderly and those in need, building construction, finance, investment and legal matters.

Trustee Induction and Training

Prior to appointment of new Trustees, the candidates are provided with an induction pack which includes the Governing Instrument and minutes of recent quarterly meetings of the committees and the full Trustees.

The Chair and Clerk meet candidates to discuss the background, history and policy of the Charity, together with the future plans and objectives of the organisation, before their appointment. Each potential Trustee attends a quarterly Trustee meeting, as an observer, before being appointed.

Charity Commission publications are also made available, together with publications from the National Association of Almshouses of which Kendal Almshouse Charity is a member. The standard of Almshouse Management publication is made available for candidates.

New Trustees are issued with a Trustee Handbook which details how the Charity is run and what is expected of them.

The implications of being a Registered Social Housing Provider are also explained to new Trustees.

Organisational Structure

The Finance Committee meets at least every quarter, before each quarterly Trustee meeting. The Letting Committee and Building Committee meet regularly. Recently appointed Trustees are appointed to a specific Committee which is relevant to their experience.

All committees comprise a minimum of three Trustees and operate under terms of reference.

The Letting Committee meets to decide to appoint applicants seeking a home, based on the aims and objectives of the Charity and the circumstances of the individual applicants. It also liaises with the Building Committee as regards upgrading of vacant units.

The function of the Building Committee is to advise the Trustees on major improvements, refurbishment schemes and the conclusions of the quinquennial survey reports. Quinquennial reports are obtained on the general condition of the housing stock with recommendations on improvements and urgent repairs needed. These reports are undertaken by a professional Building Surveyor. Quinquennial inspections were last undertaken in 2020 and we are in the process of obtaining tenders for quinquennial surveys on all the property stock in 2025. There are no significant building repairs required but there is an ongoing programme of replacing boilers, internal upgrades and external decoration.

The Building Committee has been concentrating on the redevelopment of the "Romleigh" site which has been vacant since 2019. The demolition of the original bungalow and construction of two semi- detached one bedroom dwellings, known as 1 & 2 Romleigh, was completed in November 2024. No.2 Romleigh has been occupied since January 2025 and No. 1 Romleigh has been occupied since March 2025, each paying a weekly maintenance contribution of £150 per week.

The final contract sum was £570,000. There is a 12-month retention of £14,250 which will be due in November 2025. The total project costs were c.£682,000.

The Charity secured total grant funding of £248,000; £208,000 from Homes England and £40,000 from Westmorland & Furness Council (WFC) which has been paid in full. Homes England has audited Kendal Almshouse Charity and reported that everything is satisfactory and there are no breaches.

The Charity obtained a loan from Charity Bank in the sum of £480,000, part of which was used to settle the outstanding Barclays loan taken out for the refurbishment of the Sleddal Victoria Almshouses after the devastation caused by flooding in 2015, resulting in net borrowings of c.£270,000 towards the Romleigh project. The loan was secured against the properties at Nobles Rest. The full loan was drawn down at the end of June 2024. The loan outstanding at 31 December 2024 was £477,422.43.

The remaining cost of the Romleigh project were met from the Charity's reserves, further details of which are provided below.

The charity follows the rules and regulations of Homes England.

Risk Management

The Finance Committee monitors the suitability and adequacy of the investments, taking into account the operational and other requirements of the Charity. It normally meets immediately prior to the full trustees meeting, providing accurate and timely reporting.

The investments are monitored by the Finance Committee. The Accountants are Registered Auditors, and the Clerk is a member of the Royal Institute of Chartered Surveyors, H & H Land & Estates.

Risk Management (continued)

Together with the existing management structure and administrative arrangements in place, regular monitoring of the agreed risk management policy and applicable indemnity insurance arrangements, the Trustees are satisfied that appropriate risk management practices are in place to meet the needs of the Charity and protect its activities.

To address the potential risk associated with the impending retirement of the Clerk, the Trustees have agreed and signed a Service level Agreement with the Clerk's professional offices, Chartered Surveyors. The Clerk's Office has instigated the gradual transfer and delegation of the Clerk's duties to colleagues, including the Accounts and Administration Department. The Service Level Agreement was renewed from 1st January 2024 for a three year period.

The Trust regularly reviews its policies by looking at two to three at each quarterly meeting. During 2024, up to the present date, almost all the policies and the risk assessment have been reviewed and updated.

The main risk to the Charity during the last year has been the Romleigh project, however, that is now completed. The project overran by about six months and cost approximately £40,000 more than originally anticipated but the additional expenditure could still comfortably be met from the reserves.

Increases in interest rates are a risk and now that the final project costs are known, the Finance Committee will consider the merits of using some of the reserves to reduce the loan balance at the May 2025 meeting.

Going forward, the main risks are repairs and maintenance required to properties, upgrades required to comply with legislation (particularly with regard to Minimum Energy Efficiency Standards) and breaches by occupiers. However, given the current governance and organisation structure, these risks are not considered significant.

Conflicts of Interest

At the start of each meeting of Trustees, including Committee meetings, attendees are asked to declare any conflicts of interest.

During the period all Trustees signed a declaration that they are not connected to any of the regular suppliers and contractors engaged by the Charity.

Objectives and Activities

Public Benefit

The Charity's principal objective is to provide a wide range of affordable unfurnished homes for those in need and who reside in the town of Kendal, Cumbria, and adjoining parishes, as defined in the Charity's Governing Instrument. Depending on the level of interest from these areas, it is permissible to extend the defined region into the areas formally within the District of South Lakeland and the Borough of Barrow-in-Furness (now within Westmorland & Furness Council).

The Trustees confirm that they have reviewed the Charity Commission's guidance on the provision of public benefit and consider that the public benefit requirement is duly satisfied by the activities carried out in achieving the Charity's objectives.

Vacancies for almshouses are advertised in a local weekly newspaper and on the Charity's website. Applicants are required to complete a detailed application form. All applications are formally considered by the Letting Committee, which will interview applicants as necessary. No restrictions are placed on applications by virtue of gender or for social, religious or ethnic reasons.

Public Benefit (continued)

Under the provisions of the Governing Instrument, preference is given to persons aged 50 years or more. Westmorland and Furness Council works closely with the Charity to help identify those in need in the area. The Charity also liaises with Social Services to adapt properties for the benefit of occupiers.

At the date of this report, all housing stock is occupied; there are no vacancies and no significant arrears.

Achievements and Performance

Target Rents

The weekly maintenance contributions are maintained within the guidelines of the Homes and Communities Agency. All the housing stock are now at target rents. The weekly maintenance contributions were reviewed and increased in line with the Homes England guidelines, with effect from January 2024.

Improvements and Maintenance

Regular inspections covering the general condition of the Charity's properties are undertaken by the Clerk's office, and where necessary a qualified building surveyor, to highlight improvements and other work needed to maintain the buildings in a good state of long-term repair. Additionally, the opportunity is normally taken, when a property becomes vacant, to improve the facilities as necessary. Supporting initiatives involve upgrading the quality of the Charity's housing stock to achieve Decent Homes Standards, a requirement of the Homes England as Kendal Almshouse Charity is a Registered Social Housing Provider (RSHP).

The last quinquennial building surveys were undertaken in 2020 and focused on the nine almshouses at Sandes Hospital and two at Romney Road. All items highlighted to be addressed in the medium term have been addressed. The other almshouses were surveyed prior to 2020 but the Sleddal Victoria Almshouses were substantially refurbished and restored after the 2015 floods, to comply with Decent Home Standard Status, and Nobles Rest has undergone improvements, such as new windows and doors.

Romleigh was demolished in 2023 and replaced with two new energy-efficient one-bedroom almshouses, completed November 2024.

External decoration of the rear elevations of the Sleddal Victoria almshouses was completed in 2024. As properties have become vacant, they have undergone minor improvements and refurbishment.

The Charity adheres to regulatory requirements in respect of annual gas safety certificates and five yearly Electrical Installation Certificate Reports (EICRs). It takes a pro-active approach to replacing boilers which are nearing the end of their life.

It has been identified through property inspections that Nos. 30A & 30B Aynam Road may require re-pointing in 2025 and quotations are being sought for this. There are no other significant capital works or improvements proposed for 2025.

Financial Review

An annual budget was considered and agreed by the Trustees at the 2024 and 2025 meetings, based on the recommendations from the National Association of Almshouses for annual amounts for each of the three designated funds, being routine maintenance, extraordinary repairs and cyclical maintenance.

Financial Review (continued)

The outcome of the charity's operations for the year ended 31st December 2024 shows an operating surplus in the Statement of Comprehensive Income of £344,979 which includes grants of £248,000. If grants are excluded this would be £96,979 up £37,910 on 2023. Total comprehensive income was £673,488 for the year which was higher than the total of £72,750 for 2023 primarily due to the revaluation of the housing properties.

The costs relating to Romleigh have been capitalised.

Reserves Policy

At 31 December 2024 the Charity had a surplus on accumulated income of £100,103 before the long term mortgage of £468,269.

The Trustees have adopted a reserves policy to build a free reserve equivalent to one year's income from weekly maintenance contributions (currently £235,000). The reserve set aside provides financial stability and the means to the development of the principle activity. Our reserve level is set with the knowledge that significant void levels may occur due to the age and type of properties. Trustees are aware that some properties lie within the Kendal Flood Zone and have experience of significant prolonged voids as a consequence of flooding, although flood prevention measures are currently under construction.

The Trustees meet regularly, quarterly, to review the amount of reserves that are required to ensure that they are adequate to fulfil the continuing obligations.

It was proposed to use £100,000 of the accumulated income for the Romleigh project in 2024, with another £100,000 required for Romleigh coming from the Emergency Repair Fund investments if required. To date £13,061 of accumulated income has been used. However, Trustees will consider whether to use further reserves to reduce the balance of the loan at the next Trustees meeting in May 2025.

The total investments at 31 December 2024 are £353,905.

Investment Policy

The Charity's objective for the investment of funds not required for short-term and medium-term operational reasons is to apply such funds so as to achieve a balance between income generation and capital growth over the longer term, consistent with the degree of risk considered acceptable by the Trustees. Accordingly, the funds are invested in COIF and NAACIF which are considered to provide an adequate spread of risk and an acceptable return and are monitored regularly by the Finance Committee.

Value for money

Kendal Almshouse Charity assesses how it is achieving value for money in delivering its purpose and objectives, in accordance with the regulator's standard on value for money. This means managing resources economically, efficiently and effectively to provide quality services and homes. The Trustees review target rents, investment performance, expenses and the charity's resources while seeking to achieve decent homes standard and maintain the level of service expected by tenants.

Value for money metrics

Kendal Almshouse Charity is a small provider for the purposes of disclosure of the Value for Money Metrics. Disclosures are as follows:

	2024	2023	2022	2021	2020
Reinvestment %	0%	0%	0%	0%	0%
New supply delivered	0%	0%	0%	0%	0%
Gearing	17%	11%	8%	8%	8%
EBITDA MRI Interest cover	308%	331%	580%	-286%	1115%
Headline Social Housing Cost per unit	£3,370	£3,837	£4,535	£5,033	£2,255
Operating margin	147%	26%	23%	-11%	26%
Return on Capital Employed	9%	2%	1%	-1%	1%

The Value for Money Metrics are variable as this is a small RSL and any project will affect the ratios more than larger RSLs.

Statement of compliance

Kendal Almshouse Charity as a registered provider of social housing assesses compliance with the Governance and Financial Viability Standard code of Practice issued by the Homes and Communities Agency in April 2015 on an annual basis. The Charity has in place procedures and policies to comply with the code of practice and the trustees review these regularly.

Approved by the Trustees on 12 May 2025 and signed on their behalf by:

P G Ducksbury
Chair

STATEMENT OF TRUSTEES' RESPONSIBILITIES

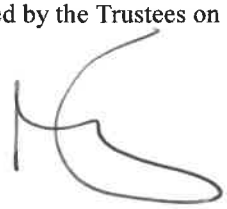
The Charities Acts and registered social housing legislation require the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the surplus or deficit for that period.

In preparing the financial statements the Trustees are required to:

- select suitable accounting policies and 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 operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. The Trustees are responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 12 May 2025 and signed on their behalf by:



P G Ducksbury
Chair

Independent Auditor's report to the Trustees of Kendal Almshouse Charity

Opinion

We have audited the financial statements of Kendal Almshouse Charity for the year ended 31 December 2024, which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 December 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the board report; or

- sufficient accounting records have not been kept; or

Matters on which we are required to report by exception continued

- the financial statements are not in agreement with the accounting records; or

- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of the board

As explained more fully in the board's responsibilities statement set out on page 7, the board members (who are also the trustees of the association for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our experience and from discussions with management. We reviewed any related correspondence and records of trustee meetings to assess compliance with laws and regulations and discussed the current position with management. We ensured the audit team were alert for any indications of non-compliance throughout the audit work.

The charitable company is managed by a management company which reduces the risk of fraud. We assessed the management company's policies and procedures on fraud risks. No instances of actual, suspected or alleged fraud were identified by us or the managing company in the year.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of controls. We are not responsible for preventing non-compliance and cannot be expected to detect compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Use of this report

This report is made solely to the association's board, 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 association's board those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's board as a body, for our audit work, for this report, or for the opinions we have formed.

Stables Thompson & Briscoe
Statutory Auditor

Lowther House
Lowther Street
Kendal
Cumbria
LA9 4DX

Date: 27 May 2025

Stables Thompson & Briscoe is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF COMPREHENSIVE INCOME (INCLUDING INCOME AND EXPENDITURE)

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Year ended 31/12/2024		Year ended 31/12/2023	
		£	£	£	£
Turnover					
Maintenance contributions from residents			241,443		221,910
Less: losses from voids			(6,397)		(5,651)
			235,046		216,259
Operating Costs					
Services		35,988		32,741	
Routine maintenance		26,389		29,050	
Cyclical maintenance		21,810		25,578	
Extraordinary repairs		12,421		33,934	
Management		41,572		36,000	
			(138,180)		(157,303)
Other income					
Donations and wayleave		113		113	
Grant received for Romleigh development		248,000		-	
			248,113		113
Operating Surplus/(Deficit)			344,979		59,069
Income from fixed asset investments			3,698		3,570
Interest receivable and similar income			2,904		2,326
Interest and financing costs			(32,381)		(17,626)
Movement in fair value of investments	5		17,928		25,411
Downward revaluation of housing properties			(526,640)		-
Surplus/(Deficit) on Ordinary Activities Before Taxation	3		(189,512)		72,750
Taxation on surplus on ordinary activities	1 (o)		-		-
Surplus / (deficit) for the year			(189,512)		72,750
Revaluation of tangible fixed assets	4		863,000		-
Total comprehensive income for the year			673,488		72,750

These financial statements were approved by the Trustees on 12 May 2025 and signed on their behalf by:

P G Ducksbury
Trustee

Mrs J Hale
Trustee

The annexed notes form part of these financial statements.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 DECEMBER 2024

	Restricted reserves £	Endowment reserves £	Designated reserves £	Property Revaluation reserve £	Investment Revaluation reserve £	Accumulated income £	Total £
At 31 December 2022 and 1 January 2023	-	55,814	2,097,103	714,290	164,293	104,009	3,135,509
Surplus (deficit) for the year	-	4,030			21,381	47,339	72,750
Transfers between reserves	-		(73,061)			73,061	-
Investment in property							-
Total comprehensive income	-	4,030	(73,061)	-	21,381	120,400	72,750
At 31 December 2023 and 1 January 2024	-	59,844	2,024,042	714,290	185,674	224,409	3,208,259
Surplus (deficit) for the year	-	1,515			16,413	(207,440)	(189,512)
Transfers between reserves	-		(83,134)			83,134	-
Revaluation				863,000			863,000
Total comprehensive income	-	1,515	(83,134)	863,000	16,413	(124,306)	673,488
At 31 December 2024	-	61,359	1,940,908	1,577,290	202,087	100,103	3,881,747

The annexed notes form part of these financial statements.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Notes	31/12/2024		31/12/2023	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	4		3,818,000		2,795,000
Asset in the course of construction	4		-		641,486
Investments	5		353,905		335,977
			4,171,905		3,772,463
Current Assets					
Debtors	6	9,841		10,472	
Bank Current account		72,969		32,794	
Bank Deposit accounts		156,917		210,320	
		239,727		253,586	
Creditors					
Amounts falling due within one year	7	(61,616)		(526,527)	
Net Current Assets			178,111		(272,941)
Total assets less current liabilities			4,350,016		3,499,522
Creditors					
Amounts falling due after one year	8		(468,269)		(291,263)
Total Net Assets	15		£3,881,747		£3,208,259
The Funds of the Charity					
Permanent endowment funds	10		61,359		59,844
Designated funds	11		1,940,908		2,024,042
Property revaluation reserve	12		1,577,290		714,290
Investment revaluation reserve	13		202,087		185,674
Accumulated income reserve	14		100,103		224,409
			£3,881,747		£3,208,259

These financial statements were approved by the Trustees on 12 May 2025
and signed on their behalf by:

Jennifer Hale

P G Ducksbury
Trustee

Mrs J Hale
Trustee

The annexed notes form part of these financial statements.

1 Principal Accounting Policies

a) **Legal status**

Kendal Almshouse Charity is an Charitable Incorporated Organisation (CIO) registered with the Charity Commission on 22 March 2017 (number 1172208) and is a private registered provider of social housing in the United Kingdom.

The Charity constitutes a public benefit entity as defined by FRS 102.

b) **Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2022. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Charities Act 2011. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the Registered Provider, and rounded to the nearest £.

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

As a small entity, the Charity is not required to produce a Cash Flow Statement.

c) **Going concern**

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

d) **Tangible fixed assets**

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

The Charity's tangible fixed assets are made up of housing properties which are principally almshouses some of which were acquired in 1887 and have previously been recorded in the accounts at cost, which was well below the existing use value as social housing (EUV - SH) or open market value. When the properties were transferred to the CIO the opportunity was taken to value the properties and the EUV-SH value has been brought into these accounts (see note 4).

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value. In the case of the housing properties held at valuation, depreciation is considered to be immaterial due to the high residual value and so is not provided.

Freehold land is not depreciated. Housing properties under construction are not depreciated until they are in use and the useful economic lives of all tangible fixed assets are reviewed annually.

1 Principal Accounting Policies (continued)

d) **Tangible fixed assets (continued)**
As the housing properties are now shown at existing use valuation for social housing, and the open market value of these properties is roughly twice the EUV-SH value, the residual value of the properties is considered to be higher than the carrying value and as such depreciation is not provided.

The valuations will be reviewed on a regular basis.

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

Rights of social landlords to have improvement works carried out to properties by a third party (such as a local authority) are recognised as prepayments where payment has occurred in advance of the works being carried out and receipts in advance from the same third party recognised as liabilities. Assets and liabilities or income and expenditure are not offset.

f) **Investments**
Investments are recognised initially at cost. Subsequently, they are measured at fair value through the statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

g) **Loans and borrowings**
Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

h) **Social Housing Grants (SHG) and Other Grants**
SHG received as a grant towards revenue expenditure is matched against that expenditure by being included in turnover in the income and expenditure account. The related expenditure is included under operating costs. SHG is recognised in the same period as the related expenditure provided the conditions for its receipt have been satisfied and there is reasonable assurance that the grant will be received. Capital grants are shown in liabilities until the project is completed and then released to turnover.

i) **Provisions**
Provisions are recognised when the Charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Provisions for cyclical maintenance or major works to existing stock are not made unless they represent commitments or obligations at the Balance Sheet date where there is no discretion to avoid or delay the expenditure.

Recycled Capital Grants Fund

Capital grants can be recycled under certain condition, if a property is sold, or if another relevant event takes place. Recycled grants can be used for projects approved by the Homes and Communities Agency (HCA) and they are credited to the Recycled Capital Grant Fund within liabilities.

1 Principal Accounting Policies (continued)

i) Provisions (continued)

In certain circumstances, such as the sale of housing properties, capital grants may be repayable, and, in that event, is subordinated to the repayment of other loans by agreement with the Homes and Communities Agency (HCA). It is accounted for as soon as the liability arises within Creditors: Amounts falling due within one year. When any grant to be recycled or repaid is less than the grant relating to the disposal, the difference is treated as abated grant. Abated capital grants are treated as a component of the surplus or deficit on disposal.

j) Turnover and other income

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

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Homes and Communities Agency.

Property Managed by Agents
Where the Charity carries the financial risk on property managed by agents, all the income and expenditure arising from the property is included in the Statement of Comprehensive Income.

Where the agency carries the financial risk, the Statement of Comprehensive Income includes only that income and expenditure which relates solely to the Charity.

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

k) Routine Repairs and Maintenance

The costs of routine repairs and maintenance are charged to the Income and Expenditure Account in the year in which they are incurred.

l) Extraordinary Repairs

Costs of extraordinary repairs, unless representing capital improvements to the properties, are charged to the Income and Expenditure Account in the year in which they are incurred.

m) Value Added Tax

Kendal Almshouse Charity is not registered for VAT. In these financial statements, where applicable, expenditure is shown inclusive of VAT.

n) Current Taxation

No taxation is payable by Kendal Almshouse Charity since it has charitable status and its charitable activities are exempt from tax.

1 Principal Accounting Policies (continued)

o) Designated and Restricted Funds

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

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

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

Endowment funds represent those assets which must be held permanently by the Charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal fees relating to the fund are charged against the fund.

Investment income and gains are allocated to the appropriate fund.

There are three designated funds in these accounts:

Property Fund
This represents that proportion of the cost of properties which was financed by charitable donations and the Charity's own resources.

Cyclical Maintenance Fund
This Fund represents amounts set aside for cyclical maintenance to meet costs in excess of budgeted expenditure for any year.

Extraordinary Repairs Fund
This Fund represents amounts set aside to carry out unexpected repairs and capital improvements on housing properties.

2 Board and key management personnel remuneration

Key management are defined as the Trustees.

None of the Trustees received any emoluments or had reimbursed expenses except for J Stirling who was reimbursed £6.30 travel expenses. The Trustees have a service agreement with H&H Land & Estates who manage the properties on a day to day basis. The management fees payable were as follows:

	31/12/2024	31/12/2023
	£	£
Management fees	£41,572	£40,200

3 Surplus on Ordinary Activities

	31/12/2024	31/12/2023
	£	£
Surplus on ordinary activities is stated after charging:		
Auditors' remuneration in their capacity as Auditors	£6,350	£6,350
Surplus/(deficit) on fair value movement of investments	£17,928	-

Auditors' remuneration includes £3,654 for preparing the accounts.

4 Fixed Assets: Freehold Housing Property

	Sledall Victoria and Aynam Chapel	Nobles Rest	Sandes Hospital	John Aston Watkins	Romleigh and War Memorial Gardens	Total
	£	£	£	£	£	£
Valuation 1 January 2024	1,370,000	715,000	450,000	180,000	80,000	2,795,000
Transfer	-	-	-	-	686,640	686,640
(Impairment)	-	-	-	-	(526,640)	(526,640)
Revaluation	475,000	298,000	20,000	70,000	-	863,000
Valuation as at 31/12/2024	£1,845,000	£1,013,000	£470,000	£250,000	£240,000	£3,818,000

The properties were independently valued as at 31 December 2024 by Edwin Thompson on 17 April 2025. The valuations reflect the almshouse and residency restrictions which equates to existing use value - social housing as required by the Housing SORP 2018. The discount on open market value was between 35% - 50% depending on the property.

The properties were all held for letting and represented 42 general housing units.

General works to properties amounted to £60,620 (2023 - £88,562).

The original cost of the properties is a mix of the valuation at the time of transfer to the charity and subsequent development work and amounts to £3,582,047 (2023 - £2,895,407) less Social Housing grants of £449,120.

During the year, the redevelopment of the Romleigh site was completed and was transferred into Freehold Housing Property from Asset in the course of construction in November 2024. This property was independently re-valued at 31December 2024 using the same valuation methodology (existing use value minus social housing) and as such the valuation has been capped at £240,000. An impairment of £526,640 has been recognised as the difference between historic cost including redevelopment and the value as at 31 December 2024.

Asset in the course of construction

	Romleigh £	Total £
Historical cost at 1 January 2024	641,486	641,486
Additions	45,154	45,154
Transfer to Freehold Housing Property	(686,640)	
Cost at 31 December 2024	-	£686,640

Grants of £208,000 were received from Homes England towards this development and a further £40,000 was received from Westmorland and Furness Council.

5 Investments

	Extraordinary Repairs Fund £	Permanent Endowment Fund £	Cyclical Maintenance Fund £	Total £
Historical cost at 1 January 2024	46,102	13,714	44,357	104,173
Historical cost at 31 December 2024	£46,102	£13,714	£44,357	£104,173
Market value at 1 January 2024	201,916	59,844	74,217	335,977
Unrealised surplus/(deficit)	13,153	1,515	3,260	17,928
Market value at 31 December 2024	£215,069	£61,359	£77,477	£353,905

All the investments are placed with COIF and M&G.

6 Debtors: Amounts Falling Due Within One Year

	31/12/2024 £	31/12/2023 £
Weekly maintenance contributions	1,477	1,553
Other debtors	-	1,284
Prepayments	8,364	7,635
	£9,841	£10,472

7 Creditors: Amounts Falling Due Within One Year

	31/12/2024 £	31/12/2023 £
Trade creditors	45,863	68,243
Bank loan due within one year	9,153	6,417
Grant received for asset in the course of construction	-	156,000
Asset in the course of construction contracted expenses	-	289,267
Accruals and deferred income	6,600	6,600
	£61,616	£526,527

8 Creditors: Amounts Falling Due After One Year

	31/12/2024	31/12/2023
	£	£
Bank loan due after one year	468,269	291,263
	£468,269	£291,263

The loan is repayable over 25 years, interest only for the first twelve months, with interest charged at base rate + 2.1%.

The loan is secured by a legal charge on the freehold housing property at Nobles Rest.

Debt analysis

Based on the lenders earliest repayment date, borrowings are repayable as follows:

	31/12/2024	31/12/2023
	£	£
Within one year or on demand	9,153	6,417
One year or more but less than two years	9,240	15,400
Two years or more but less than five years	27,720	61,600
Five years or more	431,309	214,263
	£477,422	£297,680

9 Capital grants received

The charity has received assistance in renovation projects from the Homes and Community Agency and Westmorland and Furness Council by way of grants which would only be repayable if the charity were to sell the properties or cease acting as a social housing trust. As this is a remote possibility no provision for these has been made in these accounts. The amounts involved are as follows:

	31/12/2024	31/12/2023
	£	£
Sleddall Victoria and Aynam Chapel	618,960	618,960
Nobles Rest	115,423	115,423
Sandes Hospital	102,197	102,197
John Aston Watkins	27,540	27,540
Romleigh and War Memorial Gardens	282,028	34,028
	£1,146,148	£898,148

This does not include grants received shown in Creditors: due within one year.

10 Permanent Endowment Funds

	Permanent Endowment Fund	Investment Revaluation Fund	Total
	£	£	£
Balance at 1 January 2024	13,714	46,130	59,844
Unrealised surplus		1,515	1,515
Balance at 31 December 2024	£13,714	£47,645	£61,359

11 Designated Funds

	Property Fund	Extraordinary Repairs Fund	Cyclical Maintenance Fund	Total
	£	£	£	£
Balance at 1 January 2024	1,789,447	150,239	84,356	2,024,042
Trfs (to)/from Accumulated Income reserve		14,417	22,038	36,455
Investment in property	(134,589)	-	-	(134,589)
Transfer for Decent Homes Standard		7,500	7,500	15,000
Balance at 31 December 2024	£1,654,858	£172,156	£113,894	£1,940,908

The Property fund represents internal funds invested in property.
The other funds represent funds set aside for future works on property.

12 Property Revaluation Reserve

	Social Housing Revaluation Reserve	Total
	£	£
Balance at 1 January 2024	714,290	714,290
Movement in the year	863,000	863,000
Balance at 31 December 2024	£1,577,290	£1,577,290

13 Investment Revaluation Reserve

	Extraordinary Repairs Revaluation	Cyclical Maintenance Revaluation	Total
	£	£	£
Balance at 1 January 2024	155,814	29,860	185,674
Unrealised surplus	13,153	3,260	16,413
Balance at 31 December 2024	£168,967	£33,120	£202,087

14 Accumulated Income Reserve

		£
Balance at 1 January 2024		224,409
Surplus for the year excluding movement in fair value of investments		(207,440)
Transfer from/(to):		
Investment in property - loan movements	179,743	
Investment in property - additions	(45,154)	
Designated funds - extraordinary repair fund under spend	(14,417)	
Designated funds - cyclical maintenance fund under spend	(22,038)	
Designated funds - Decent Homes Standard	(15,000)	83,134
Balance at 31 December 2024		100,103

15 Analysis of net assets between funds

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Creditors due after one year £	Total 31/12/2024 £
Permanent endowment funds	-	61,359	-	-	61,359
Designated funds	2,240,710	90,459	78,008	(468,269)	1,940,908
Property revaluation reserve	1,577,290	-	-	-	1,577,290
Investment revaluation reserve	-	202,087	-	-	202,087
Accumulated income reserve	-	-	100,103	-	100,103
	£3,818,000	£353,905	178,111	(468,269)	£3,881,747

The net current liability position is covered by future loan drawdowns and promised grants.

Comparatives:	Tangible Fixed Assets £	Investments £	Net Current Liability £	Creditors due after one year £	Total 31/12/2023 £
Permanent endowment funds	-	59,844	-	-	59,844
Designated funds	2,080,710	90,459	144,136	(291,263)	2,024,042
Property revaluation reserve	714,290	-	-	-	714,290
Investment revaluation reserve	-	185,674	-	-	185,674
Accumulated income reserve	641,486	-	(417,077)	-	224,409
	£3,436,486	£335,977	(272,941)	(291,263)	£3,208,259

STABLES THOMPSON & BRISCOE
www.stb-accountants.co.uk

Our reference: HH/KEN120

19 May 2025

The Trustees
Kendal Almshouse Charity
c/o 36 Finkle Street
Kendal
LA9 4AB

Dear Ladies and Gentlemen,

Kendal Almshouse Charity – Report to Management for the period ended 31 December 2024

It is normal procedure on completion of our audit work to write to inform you of the results of our audit and any findings where we consider that changes should be made to your accounting procedures.

The general findings of our audit were that the charity's financial transactions had been well controlled and that the accounting records had been accurately maintained.

There were a number of matters which arose during the course of our audit which we consider should be brought to your attention, or recommendations for possible improvements which could be made.

These matters came to light during the course of our normal audit tests which are designed to assist us in forming our opinion on the financial statements. Our tests may not necessarily disclose all errors or irregularities and should not be relied upon to do so. However, if any irregularity did come to our attention during our audit tests, we would, of course, inform you immediately.

We would be grateful if you could enter your comments against each point under the "comments" column of the memorandum and return it to us in due course.

We have complied with the Ethical Standard for Auditors and all threats to our independence have been properly addressed through appropriate safeguards. No additional facts or matters have arisen during the course of the audit that we wish to draw to your attention, and we confirm that we are independent and able to express an objective opinion on the financial statements.

This report has been prepared for the sole use of the trustees of the Kendal Almshouse Charity and with the exception of the Homes and Communities Agency Regulation Committee must not be shown to third parties without our prior consent. No responsibilities are accepted by Stables Thompson & Briscoe towards any party acting or refraining from action as a result of this report.

Finally, we would like to express our thanks to all members of the charity's staff who assisted us in carrying out our work.

Yours sincerely

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A list of Directors is available at www.stb-accountants.co.uk/about-us/our-directors

KENDAL ALMSHOUSE CHARITY

SIGNIFICANT MATTERS RELEVANT TO OUR AUDIT FOR THE YEAR ENDED 31 DECEMBER 2024

Audit approach

There were no changes to our audit approach as set out in our meeting with you.

POINTS NOTED, IMPLICATIONS AND RECOMMENDATIONS	COMMENTS
The bank reconciliation and purchase procedure system notes need updating as these still mention old software Landmark instead of QuickBooks.	
One RPT noted. There was a payment of £6.30 to trustee John Stirling for reimbursement of travel expenses to a course. Any amount, however small needs identifying for disclosure in the accounts.	

Internal controls

The purpose of the audit was for us to express an opinion on the financial statements. The audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Our audit is, therefore, not designed to identify all control weaknesses and the matters reported are limited to those deficiencies that we have identified during the audit.

Summary of audit differences and draft letter of representation

The total unadjusted misstatements identified in our audit work amounted to £1,206.

We have sent a draft letter of management representations required in connection with our audit to you separately for approval.

Anticipated audit report

We anticipate that we will issue an unmodified audit report for the year, subject to the satisfactory clearance of any outstanding/unresolved the matters outlined in this report.

KENDAL ALMSHOUSE CHARITY

England & Wales - Charity number 1172208

Accounts

KENDAL ALMSHOUSE CHARITY

Registered Charity Number 1172208

Homes England 5097

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Stables Thompson & Briscoe
Chartered Accountants
Statutory Auditors

KENDAL ALMSHOUSE CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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KENDAL ALMSHOUSE CHARITY

CHARITY INFORMATION

Established as CIO	22 March 2017
Principal Office	Suite 1, Cumbria Tourism Business Centre Windermere Road Staveley LA8 9PL
Registered Numbers	Registered Charity Number 1172208 Homes and Communities Agency Registration Number A1059
Trustees	Mr P G Ducksbury (Chair) Mrs C Dodwell (Vice Chair) Miss S J Barron (appointed 17 July 2023) Mrs H Fitch Ms L Gray Mrs J Hale Miss D Lund Mr J Stirling
Managing agent	H & H Land & Estates Suite 1, Cumbria Tourism Business Centre Windermere Road Staveley LA8 9PL Tel: 01539 721375
Bankers	Barclays Bank Plc 9 Highgate Kendal Cumbria LA9 4DF
Independent Auditors	Stables Thompson & Briscoe Chartered Accountants Statutory Auditors Lowther House Lowther Street Kendal LA9 4DX

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their report and the audited financial statements for the year ended 31 December 2023.

Governance, Aims, Structure and Management

Governing Document

The Kendal Almshouse Charity was originally five charitable organisations registered with the Charity Commission. In 1987, the charities were amalgamated to create the Kendal Almshouse Charity under a Memorandum of Association which established the objects and powers of the charitable organisation, dated 2 December 1987. In 2014 the assets and liabilities of Kendal War Memorial Trust were acquired by Kendal Almshouse Charity.

In March 2017, the Charity Commission approved the conversion to a Charitable Incorporated Organisation (CIO). All the assets and operations were transferred into the CIO from June 2017. The Charity Number of the CIO is 1172208.

Recruitment and Appointment of Trustees

There are eight Trustees at the date of this report, with one new trustee recruited during the last year.

Mr P G Ducksbury remains Chair. Mrs C Dodwell remains as Vice Chair. Mrs J Hale is currently Chair of the Finance Committee, Mrs H Fitch is Chair of the Lettings Committee and Miss D Lund is Chair of the Building Committee.

Ten Trustees would be the ideal structure. Trustees are encouraged to "network" to find suitable new Trustees and the Charity advertises positions available.

The skills of the Trustees are regularly reviewed, and they are all encouraged to take a lead in an aspect of the Charity business. Each Trustee is appointed to at least one of the three committees; Finance, Buildings or Lettings.

It is the policy of the Charity to appoint Trustees with experience in the letting of residential property, care of the elderly and those in need, building construction, finance, investment and legal matters.

Trustee Induction and Training

Prior to appointment of new Trustees, the candidates are provided with an induction pack which includes the Governing Instrument and minutes of recent quarterly meetings of the committees and the full Trustees.

The Chair and Clerk meet candidates to discuss the background, history and policy of the Charity, together with the future plans and objectives of the organisation, before their appointment. Each potential Trustee attends a quarterly Trustee meeting, as an observer, before being appointed.

Charity Commission publications are also made available, together with publications from the National Association of Almshouses of which Kendal Almshouse Charity is a member. The standard of Almshouse Management publication is made available for candidates.

New Trustees are issued with a Trustee Handbook which details how the Charity is run and what is expected of them.

The implications of being a Registered Social Housing Provider are also explained to new Trustees.

Organisational Structure

The Finance Committee meets at least every quarter, before each quarterly Trustee meeting. The Letting Committee and Building Committee meet regularly. Recently appointed Trustees are appointed to a specific Committee which is relevant to their experience.

All committees comprise a minimum of three Trustees and operate under terms of reference.

The Letting Committee meets to decide to appoint applicants seeking a home, based on the aims and objectives of the Charity and the circumstances of the individual applicants. It also liaises with the Building Committee as regards upgrading of vacant units.

The function of the Building Committee is to advise the Trustees on major improvements, refurbishment schemes and the conclusions of the quinquennial survey reports. Quinquennial reports are obtained on the general condition of the housing stock with recommendations on improvements and urgent repairs needed. These reports are undertaken by a professional Building Surveyor. Quinquennial inspections were last undertaken in 2020 and we will be going out to tender for quinquennial surveys on all the property stock later this year. There are no significant building repairs required but there is an ongoing programme of replacing boilers, internal upgrades and external decoration.

The Building Committee has been concentrating on the redevelopment of the "Romleigh" site which has been vacant since 2019. Planning permission was obtained during 2021 to demolish the bungalow and rebuild with two semi-detached one bedroom dwellings and a new planning application to vary the design was submitted in 2022 (approved February 2023). Following two tender processes, a preferred contractor was appointed with a contract price of £541,505.35. Work on site commenced in July 2023 with completion scheduled for April 2024.

The Charity has secured total grant funding of £248,000; £208,000 from Homes England and £40,000 from Westmorland & Furness Council (WFC). The Charity has received the WFC grant in full and 75% of the Homes' England, with the remaining 25% due on completion.

The Charity obtained a loan from Charity Bank in the sum of £480,000, part of which was used to settle the outstanding Barclays loan taken out for the refurbishment of the Sleddal Victoria Almshouses after the devastation caused by flooding in 2015, resulting in net borrowings of c.£270,000 towards the Romleigh project. The loan was secured against the properties at Nobles Rest. The full amount of the loan has now been drawn down, with the final amount done on 22nd March 2024.

The remaining cost of the Romleigh project is being met from the Charity's reserves, further details of which are provided below. At the time the loan was taken out, there was some uncertainty about £100,000 of the grant funding, which was subsequently awarded. Consequently whereas it was anticipated that the Charity would use £200,000 of its reserves for the project, it is now expected to be closer to £100,000.

The charity follows the rules and regulations of Homes England.

Risk Management

The Finance Committee monitors the suitability and adequacy of the investments, taking into account the operational and other requirements of the Charity. It normally meets immediately prior to the full trustees meeting, providing accurate and timely reporting.

The Accountants are Registered Auditors, and the Clerk is a member of the Royal Institute of Chartered Surveyors.

Risk Management (continued)

Together with the existing management structure and administrative arrangements in place, regular monitoring of the agreed risk management policy and applicable indemnity insurance arrangements, the Trustees are satisfied that appropriate risk management practices are in place to meet the needs of the Charity and protect its activities.

To address the potential risk associated with the impending retirement of the Clerk, the Trustees have agreed and signed a Service Level Agreement with the Clerk's professional offices H & H Land and Estates, Chartered Surveyors. The Clerk's Office has instigated the gradual transfer and delegation of the Clerk's duties to colleagues, including the Accounts and Administration Department. The Service Level Agreement is reviewed at each quarterly meeting.

The Trust regularly reviews its policies by looking at two to three at each quarterly meeting. During 2023, up to the present date, almost all the policies and the risk assessment have been reviewed and updated.

There is some risk associated with the Romleigh project, however, at the date of this report, the project is approximately 80% complete and currently cost overrun is expected to be in the order of £2,363.75. The financial risk is being mitigated by securing grant funding and loan finance at the best possible rate, in order to keep use of the reserves in the order of £100,000. Increases in interest rates are a risk and the option to fix the mortgage rate will be kept under review by Trustees.

The risks associated with the construction and project management are mitigated by going through a tender process, putting in place a JTC contract with some contingency and a bond and the appointment of a professional team, including the Architect, Quantity Surveyor and Principle Designer. Saffer Cooper are also providing professional consultancy services in relation to the management of grant funding and claims.

Conflicts of Interest

At the start of each meeting of Trustees, including Committee meetings, attendees are asked to declare any conflicts of interest.

During the period all Trustees signed a declaration that they are not connected to any of the regular suppliers and contractors engaged by the Charity.

Objectives and Activities

Public Benefit

The Charity's principal objective is to provide a wide range of affordable unfurnished homes for those in need and who reside in the town of Kendal, Cumbria, and adjoining parishes, as defined in the Charity's Governing Instrument. Depending on the level of interest from these areas, it is permissible to extend the defined region into the areas formally within the District of South Lakeland and the Borough of Barrow-in-Furness (now within Westmorland & Furness Council).

The Trustees confirm that they have reviewed the Charity Commission's guidance on the provision of public benefit and consider that the public benefit requirement is duly satisfied by the activities carried out in achieving the Charity's objectives.

Vacancies for almshouses are advertised in a local weekly newspaper and on the Charity's website. Applicants are required to complete a detailed application form. All applications are formally considered by the Letting Committee, which will interview applicants as necessary. No restrictions are placed on applications by virtue of gender or for social, religious or ethnic reasons.

Public Benefit (continued)

Under the provisions of the Governing Instrument, preference is given to persons aged 50 years or more. Westmorland and Furness Council works closely with the Charity to help identify those in need in the area. The Charity also liaises with Social Services to adapt properties for the benefit of occupiers.

Regular inspections covering the general condition of the Charity's properties are undertaken by the Clerk and where necessary a qualified building surveyor to highlight improvements and other work needed to maintain the buildings in a good state of long-term repair. Additionally, the opportunity is normally taken, when a property becomes vacant, to improve the facilities as necessary. Supporting initiatives involve upgrading the quality of the Charity's housing stock to achieve Decent Homes Standards, a requirement of Homes England as Kendal Almshouse Charity is a Registered Social Housing Provider (RSHP).

In 2020 specialist surveyors were engaged to establish any immediate requirements necessary to the housing stock, excluding Sleddal Victoria Almshouses which were substantially refurbished and restored after the 2015 floods, to comply with Decent Home Standard Status. All items highlighted to be addressed in the medium term have been addressed.

Achievements and Performance

Target Rents

The weekly maintenance contributions are maintained within the guidelines of the Homes and Communities Agency. All the housing stock, with the exception of Romleigh, formerly the property of the Kendal War Memorial Trust, are now at target rents. The weekly maintenance contributions were reviewed and increased in line with the Homes England guidelines, with effect from January 2024.

Improvements and Maintenance

Romleigh was demolished in 2023 and two new almshouses are being constructed on the site. These are expected to be ready to occupy by early summer.

There are no other significant capital works or improvements proposed for 2024.

A large stone boundary wall at Nobles Rest which had partially collapsed was rebuilt during 2023.

External decoration of the almshouses at Sandes Hospital and the front elevation of the Sleddal Victoria almshouses was carried out in 2023, with the rear elevation due to be completed Spring 2024.

As properties have become vacant, they have undergone minor improvements and refurbishment.

Financial Review

An annual budget was considered and agreed by the Trustees at the 2023 and 2024 meetings, based on the recommendations from the National Association of Almshouses for annual amounts for each of the three designated funds, being routine maintenance, extraordinary repairs and cyclical maintenance.

The outcome of the charity's operations for the year ended 31st December 2023 shows an operating surplus in the Statement of Comprehensive Income of £59,069 up £14,464 on 2022, primarily due to the expenditure on the development of Romleigh now being in the construction phase. Total comprehensive income was £72,750 for the year which was higher than the total of £21,882 for 2022 primarily due to the reversal of the movement in the fair value of the investments.

Any costs relating to Romleigh from January 2023 onwards have been capitalised.

Reserves Policy

At 31 December 2023 the Charity had a surplus on accumulated income of £224,409 before the long term mortgage of £291,263.

The Trustees have adopted a reserves policy to build a free reserve equivalent to one year's income from weekly maintenance contributions (currently £223,226). The reserve set aside provides financial stability and the means to the development of the principle activity. Our reserve level is set with the knowledge that significant void levels may occur due to the age and type of properties. Trustees are aware that some properties lie within the Kendal Flood Zone and have experience of significant prolonged voids as a consequence of flooding, although flood prevention measures are currently under construction.

The Trustees meet regularly, quarterly, to review the amount of reserves that are required to ensure that they are adequate to fulfil the continuing obligations.

It was proposed to use £100,000 of the accumulated income for the Romleigh project in 2023, with another £100,000 required for Romleigh coming from the Emergency Repair Fund investments if required. To date £13,061 of accumulated income has been used. The total investments at 31 December 2023 are £335,977.

Investment Policy

The Charity's objective for the investment of funds not required for short-term and medium-term operational reasons is to apply such funds so as to achieve a balance between income generation and capital growth over the longer term, consistent with the degree of risk considered acceptable by the Trustees. Accordingly, the funds are invested in COIF and NAACIF which are considered to provide an adequate spread of risk and an acceptable return and are monitored regularly by the Finance Committee.

Value for money

Kendal Almshouse Charity assesses how it is achieving value for money in delivering its purpose and objectives, in accordance with the regulator's standard on value for money. This means managing resources economically, efficiently and effectively to provide quality services and homes. The Trustees review Target rents, investment performance, expenses and the charity's resources while seeking to achieve decent homes standard and maintain the level of service expected by tenants.

Value for money metrics

Kendal Almshouse Charity is a small provider for the purposes of disclosure of the Value for Money Metrics. Disclosures are as follows:

	2023	2022	2021	2020	2019
Reinvestment %	0%	0%	0%	0%	0%
New supply delivered	0%	0%	0%	0%	0%
Gearing	11%	8%	8%	8%	12%
EBITDA MRI Interest cover	1216%	580%	-286%	1115%	686%
Headline Social Housing Cost per unit	£3,837	£4,535	£5,033	£2,255	£2,411
Operating margin	26%	23%	-11%	26%	46%
Return on Capital Employed	2%	1%	-1%	1%	4%

The Value for Money Metrics are variable as this is a small RSL and any project will affect the ratios more than larger RSLs.

Statement of compliance

Kendal Almshouse Charity as a registered provider of social housing assesses compliance with the Governance and Financial Viability Standard code of Practice issued by the Homes and Communities Agency in April 2015 on an annual basis. The Charity has in place procedures and policies to comply with the code of practice and the trustees review these regularly.

Approved by the Trustees on 22 April 2024 and signed on their behalf by:

P G Ducksbury
Chair

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Charities Acts and registered social housing legislation require 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 the financial statements the Trustees are required to:

- select suitable accounting policies and 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 operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. The Trustees are responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 22 April 2024 and signed on their behalf by:

P G Ducksbury
Chair

Independent Auditor's report to the Trustees of Kendal Almshouse Charity

Opinion

We have audited the financial statements of Kendal Almshouse Charity for the year ended 31 December 2023, which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 December 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the board report; or

- sufficient accounting records have not been kept; or

Matters on which we are required to report by exception continued

- the financial statements are not in agreement with the accounting records; or

- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of the board

As explained more fully in the board's responsibilities statement set out on page 7, the board members (who are also the trustees of the association for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our experience and from discussions with management. We reviewed any related correspondence and records of trustee meetings to assess compliance with laws and regulations and discussed the current position with management. We ensured the audit team were alert for any indications of non-compliance throughout the audit work.

The charitable company is managed by a management company which reduces the risk of fraud. We assessed the management company's policies and procedures on fraud risks. No instances of actual, suspected or alleged fraud were identified by us or the managing company in the year.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of controls. We are not responsible for preventing non-compliance and cannot be expected to detect compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Use of this report

This report is made solely to the association's board, 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 association's board those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's board as a body, for our audit work, for this report, or for the opinions we have formed.

Stables Thompson & Briscoe
Statutory Auditor

Lowther House
Lowther Street
Kendal
Cumbria
LA9 4DX

Date: 29 April 2024

Stables Thompson & Briscoe is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF COMPREHENSIVE INCOME (INCLUDING INCOME AND EXPENDITURE)

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Year ended 31/12/2023		Year ended 31/12/2022	
		£	£	£	£
Turnover					
Maintenance contributions from residents			221,910		203,361
Less: losses from voids			(5,651)		(6,967)
			216,259		196,394
Operating Costs					
Services		32,741		34,566	
Routine maintenance		29,050		20,668	
Cyclical maintenance		25,578		29,321	
Extraordinary repairs		33,934		18,202	
Management		36,000		36,000	
Romleigh development		-		47,173	
			(157,303)		(185,930)
Other income					
Donations and wayleave		113		113	
Grant received from Homes England for Romleigh		-		34,028	
			113		34,141
Operating Surplus/(Deficit)			59,069		44,605
Income from fixed asset investments			3,570		3,442
Interest receivable and similar income			2,326		220
Interest and financing costs			(17,626)		(8,290)
Movement in fair value of investments	5		25,411		(18,095)
Surplus/(Deficit) on Ordinary Activities Before Taxation	3		72,750		21,882
Taxation on surplus on ordinary activities	1 (o)		-		-
Total comprehensive income for the year			72,750		21,882

These financial statements were approved by the Trustees on 22 April 2024 and signed on their behalf by:

P G Ducksbury
Trustee

Mrs J Hale
Trustee

The annexed notes form part of these financial statements.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 DECEMBER 2023

	Restricted reserves £	Endowment reserves £	Designated reserves £	Property Revaluation reserve £	Investment Revaluation reserve £	Accumulated income £	Total £
At 31 December 2021 and 1 January 2022	-	61,631	2,061,632	714,290	176,571	108,503	3,122,627
Prior year adjustment re prepayments						(9,000)	(9,000)
As restated	-	61,631	2,061,632	714,290	176,571	99,503	3,113,627
Surplus (deficit) for the year	-	(5,817)			(12,278)	39,977	21,882
Transfers between reserves	-		35,471			(35,471)	-
Investment in property							-
Total comprehensive income	-	(5,817)	35,471	-	(12,278)	4,506	21,882
At 31 December 2022 and 1 January 2023	-	55,814	2,097,103	714,290	164,293	104,009	3,135,509
Surplus (deficit) for the year	-	4,030			21,381	47,339	72,750
Transfers between reserves	-		(73,061)			73,061	-
Investment in property							-
Total comprehensive income	-	4,030	(73,061)	-	21,381	120,400	72,750
At 31 December 2023	-	59,844	2,024,042	714,290	185,674	224,409	3,208,259

The annexed notes form part of these financial statements.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Notes	31/12/2023		31/12/2022 As restated	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	4		2,795,000		2,795,000
Asset in the course of construction	4		641,486		-
Investments	5		335,977		310,566
			3,772,463		3,105,566
Current Assets					
Debtors	6	10,472		7,516	
Bank Current account		32,794		33,281	
Bank Deposit accounts		210,320		223,431	
		253,586		264,228	
Creditors					
Amounts falling due within one year	7	(526,527)		(37,909)	
Net Current Assets			(272,941)		226,319
Total assets less current liabilities			3,499,522		3,331,885
Creditors					
Amounts falling due after one year	8		(291,263)		(196,376)
Total Net Assets	15		£3,208,259		£3,135,509
The Funds of the Charity					
Permanent endowment funds	10		59,844		55,814
Designated funds	11		2,024,042		2,097,103
Property revaluation reserve	12		714,290		714,290
Investment revaluation reserve	13		185,674		164,293
Accumulated income reserve	14		224,409		104,009
			£3,208,259		£3,135,509

These financial statements were approved by the Trustees on 22 April 2024 and signed on their behalf by:

P G Ducksbury
Trustee

Mrs J Hale
Trustee

The annexed notes form part of these financial statements.

1 Principal Accounting Policies

a) **Legal status**

Kendal Almshouse Charity is an Incorporated Charitable Entity (CIO) registered with the Charity Commission on 22 March 2017 (number 1172208) and is a private registered provider of social housing in the United Kingdom.

The Charity constitutes a public benefit entity as defined by FRS 102.

b) **Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Charities Act 2011. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the Registered Provider, and rounded to the nearest £.

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

As a small entity, the Charity is not required to produce a Cash Flow Statement.

c) **Going concern**

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

d) **Tangible fixed assets**

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

The Charity's tangible fixed assets are made up of housing properties which are principally almshouses some of which were acquired in 1887 and have previously been recorded in the accounts at cost, which was well below the existing use value as social housing (EUV - SH) or open market value. When the properties were transferred to the CIO the opportunity was taken to value the properties and the EUV-SH value has been brought into these accounts (see note 4).

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value. In the case of the housing properties held at valuation, depreciation is considered to be immaterial due to the high residual value and so is not provided.

Freehold land is not depreciated. Housing properties under construction are not depreciated until they are in use and the useful economic lives of all tangible fixed assets are reviewed annually.

1 Principal Accounting Policies (continued)

d) **Tangible fixed assets (continued)**
As the housing properties are now shown at existing use valuation for social housing, and the open market value of these properties is roughly twice the EUV-SH value, the residual value of the properties is considered to be higher than the carrying value and as such depreciation is not provided.

The valuations will be reviewed on a regular basis.

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

Rights of social landlords to have improvement works carried out to properties by a third party (such as a local authority) are recognised as prepayments where payment has occurred in advance of the works being carried out and receipts in advance from the same third party recognised as liabilities. Assets and liabilities or income and expenditure are not offset.

f) **Prior year adjustment - correction of error**
Historically the last quarter of H & H Land and Estates fees were included as a prepayment on the mistaken understanding that the fees were charged in advance. This was incorrect and the prepayment has been removed. As this goes back many years there is no effect on the Income and Expenditure Account but only on the Statement of Financial Position where Debtors and the brought forward balance on the Accumulated Income reserve have been reduced by £9,000.

g) **Investments**
Investments are recognised initially at cost. Subsequently, they are measured at fair value through the statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

h) **Loans and borrowings**
Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

i) **Social Housing Grants (SHG) and Other Grants**
SHG received as a grant towards revenue expenditure is matched against that expenditure by being included in turnover in the income and expenditure account. The related expenditure is included under operating costs. SHG is recognised in the same period as the related expenditure provided the conditions for its receipt have been satisfied and there is reasonable assurance that the grant will be received. Capital grants are shown in liabilities until the project is completed and then released to turnover.

j) **Provisions**
Provisions are recognised when the Charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Provisions for cyclical maintenance or major works to existing stock are not made unless they represent commitments or obligations at the Balance Sheet date where there is no discretion to avoid or delay the expenditure.

1 Principal Accounting Policies (continued)

j) Provisions (continued)

Recycled Capital Grants Fund

Capital grants can be recycled under certain condition, if a property is sold, or if another relevant event takes place. Recycled grants can be used for projects approved by the Homes and Communities Agency (HCA) and they are credited to the Recycled Capital Grant Fund within liabilities.

In certain circumstances, such as the sale of housing properties, capital grants may be repayable, and, in that event, is subordinated to the repayment of other loans by agreement with the Homes and Communities Agency (HCA). It is accounted for as soon as the liability arises within Creditors: Amounts falling due within one year. When any grant to be recycled or repaid is less than the grant relating to the disposal, the difference is treated as abated grant. Abated capital grants are treated as a component of the surplus or deficit on disposal.

k) Turnover and other income

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

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Homes and Communities Agency.

Property Managed by Agents
Where the Charity carries the financial risk on property managed by agents, all the income and expenditure arising from the property is included in the Statement of Comprehensive Income.

Where the agency carries the financial risk, the Statement of Comprehensive Income includes only that income and expenditure which relates solely to the Charity.

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

l) Routine Repairs and Maintenance

The costs of routine repairs and maintenance are charged to the Income and Expenditure Account in the year in which they are incurred.

m) Extraordinary Repairs

Costs of extraordinary repairs, unless representing capital improvements to the properties, are charged to the Income and Expenditure Account in the year in which they are incurred.

n) Value Added Tax

Kendal Almshouse Charity is not registered for VAT. In these financial statements, where applicable, expenditure is shown inclusive of VAT.

o) Current Taxation

No taxation is payable by Kendal Almshouse Charity since it has charitable status and its charitable activities are exempt from tax.

1 Principal Accounting Policies (continued)

p) Designated and Restricted Funds

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

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

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

Endowment funds represent those assets which must be held permanently by the Charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal fees relating to the fund are charged against the fund.

Investment income and gains are allocated to the appropriate fund.

There are three designated funds in these accounts:

Property Fund
This represents that proportion of the cost of properties which was financed by charitable donations and the Charity's own resources.

Cyclical Maintenance Fund
This Fund represents amounts set aside for cyclical maintenance to meet costs in excess of budgeted expenditure for any year.

Extraordinary Repairs Fund
This Fund represents amounts set aside to carry out unexpected repairs and capital improvements on housing properties.

2 Board and key management personnel remuneration

Key management are defined as the Trustees.

None of the Trustees received any emoluments or had reimbursed expenses. The Trustees have a service agreement with H&H Land & Estates who manage the properties on a day to day basis. The management fees payable were as follows:

	31/12/2023	31/12/2022
	£	£
Management fees	£40,200	£45,960

3 Surplus on Ordinary Activities

	31/12/2023	31/12/2022
	£	£
Surplus on ordinary activities is stated after charging:		
Auditors' remuneration in their capacity as Auditors	£6,350	£6,350
Surplus/(deficit) on fair value movement of investments	£25,411	£(18,095)

Auditors' remuneration includes £3,654 for preparing the accounts.

4 Fixed Assets: Freehold Housing Property

	Sledall Victoria and Aynam Chapel	Nobles Rest	Sandes Hospital	John Aston Watkins	Romleigh and War Memorial Gardens	Total
	£	£	£	£	£	£
Valuation 1 January 2023	1,370,000	715,000	450,000	180,000	80,000	2,795,000
Additions	-	-	-	-	-	-
(Impairment)/ (Reverse revaluation)	-	-	-	-	-	-
Valuation as at 31/12/2023	£1,370,000	£715,000	£450,000	£180,000	£80,000	£2,795,000

The properties were independently valued on the transfer of assets to the CIO by Thomson Associates on 31 May 2018. Two valuations were prepared, one for market value with vacant possession which totalled £5,615,000 and one subject to almshouse and residency restrictions which equates to existing use value - social housing as required by the Housing SORP 2014. The latter is the value used in these accounts to comply with the SORP.

The properties were all held for letting and represented 41 general housing units.

General works to properties amounted to £88,562 (2022 - £68,191).

The original cost of the properties is a mix of the valuation at the time of transfer to the charity and subsequent development work and amounts to £2,895,407 less Social Housing grants of £449,120.

Impairment losses of £659,697 are included in those figures.

Asset in the course of construction

	Romleigh	Total
	£	£
Additions	641,486	641,486
Cost at 31 December 2023	£641,486	£641,486

Grants of £156,000 were received from Homes England towards this development in the year and a further £40,000 was received from Westmorland and Furness Council in January 2024.

All the properties are going to be revalued next year once the development has been completed.

5 Investments

	Extraordinary Repairs Fund	Permanent Endowment Fund	Cyclical Maintenance Fund	Total
	£	£	£	£
Historical cost at 1 January 2023	46,102	13,714	44,357	104,173
Historical cost at 31 December 2023	£46,102	£13,714	£44,357	£104,173
Market value at 1 January 2023	184,761	55,814	69,991	310,566
Unrealised surplus/(deficit)	17,155	4,030	4,226	25,411
Market value at 31 December 2023	£201,916	£59,844	£74,217	£335,977

All the investments are placed with COIF and M&G.

6 Debtors: Amounts Falling Due Within One Year

	31/12/2023	31/12/2022 As restated
	£	£
Weekly maintenance contributions	1,553	398
Other debtors	1,284	-
Prepayments	7,635	7,118
	£10,472	£7,516

7 Creditors: Amounts Falling Due Within One Year

	31/12/2023	31/12/2022
	£	£
Trade creditors	68,243	17,427
Bank loan due within one year	6,417	13,882
Grant received for asset in the course of construction	156,000	-
Asset in the course of construction contracted expenses	289,267	-
Accruals and deferred income	6,600	6,600
	£526,527	£37,909

The contracted expenses are covered by further loan drawdowns and grants.

8 Creditors: Amounts Falling Due After One Year

	31/12/2023	31/12/2022
	£	£
Bank loan due after one year	291,263	196,376
	£291,263	£196,376

The loan is repayable over 25 years, interest only for the first twelve months, with interest charged at base rate + 2.1%.

The loan is secured by a legal charge on the freehold housing property at Nobles Rest.

Debt analysis

Based on the lenders earliest repayment date, borrowings are repayable as follows:

	31/12/2023	31/12/2022
	£	£
Within one year or on demand	6,417	13,882
One year or more but less than two years	15,400	14,354
Two years or more but less than five years	61,600	44,713
Five years or more	214,263	137,309
	£297,680	£210,258

9 Capital grants received

The charity has received assistance in renovation projects from the Homes and Community Agency and Westmorland and Furness Council by way of grants which would only be repayable if the charity were to sell the properties or cease acting as a social housing trust. As this is a remote possibility no provision for these has been made in these accounts. The amounts involved are as follows:

	31/12/2023	31/12/2022
	£	£
Sleddall Victoria and Aynam Chapel	618,960	618,960
Nobles Rest	115,423	115,423
Sandes Hospital	102,197	102,197
John Aston Watkins	27,540	27,540
Romleigh and War Memorial Gardens	34,028	34,028
	£898,148	£898,148

This does not include the current grants received shown in Creditors: due within one year.

10 Permanent Endowment Funds

	Permanent Endowment Fund	Investment Revaluation Fund	Total
	£	£	£
Balance at 1 January 2023	13,714	42,100	55,814
Unrealised surplus		4,030	4,030
Balance at 31 December 2023	£13,714	£46,130	£59,844

11 Designated Funds

	Property Fund	Extraordinary Repairs Fund	Cyclical Maintenance Fund	Total
	£	£	£	£
Balance at 1 January 2023	1,884,334	151,499	61,270	2,097,103
Trfs (to)/from Accumulated Income reserve		(8,760)	15,586	6,826
Investment in property	(94,887)	-	-	(94,887)
Transfer for Decent Homes Standard		7,500	7,500	15,000
Balance at 31 December 2023	£1,789,447	£150,239	£84,356	£2,024,042

The Property fund represents internal funds invested in property.
The other funds represent funds set aside for future works on property.

12 Property Revaluation Reserve

	Social Housing Revaluation Reserve	Total
	£	£
Balance at 1 January 2023	714,290	714,290
Movement in the year	-	-
Balance at 31 December 2023	£714,290	£714,290

13 Investment Revaluation Reserve

	Extraordinary Repairs Revaluation	Cyclical Maintenance Revaluation	Total
	£	£	£
Balance at 1 January 2023	138,659	25,634	164,293
Unrealised surplus	17,155	4,226	21,381
Balance at 31 December 2023	£155,814	£29,860	£185,674

14 Accumulated Income Reserve

		£
Balance at 1 January 2023		113,009
Prior year adjustment re prepayments		(9,000)
Balance at 1 January 2023 as restated		104,009
Surplus for the year ended 31 December 2023		47,339
Transfer from/(to):		
Investment in property - loan movements	94,887	
Investment in property - additions	-	
Designated funds - extraordinary repair fund under spend	8,760	
Designated funds - cyclical maintenance fund under spend	(15,586)	
Designated funds - Decent Homes Standard	(15,000)	73,061
Balance at 31 December 2023		224,409

15 Analysis of net assets between funds

	Tangible Fixed Assets £	Investments £	Net Current Liability £	Creditors due after one year £	Total 31/12/2023 £
Permanent endowment funds	-	59,844	-	-	59,844
Designated funds	2,080,710	90,459	144,136	(291,263)	2,024,042
Property revaluation reserve	714,290	-	-	-	714,290
Investment revaluation reserve	-	185,674	-	-	185,674
Accumulated income reserve	641,486	-	(417,077)	-	224,409
	£3,436,486	£335,977	(272,941)	(291,263)	£3,208,259

The net current liability position is covered by future loan drawdowns and promised grants.

Comparatives:	Tangible Fixed Assets £	Investments £	Net Current Assets £	Creditors due after one year £	Total 31/12/2022 £
Permanent endowment funds	-	55,814	-	-	55,814
Designated funds	2,080,710	90,459	122,310	(196,376)	2,097,103
Property revaluation reserve	714,290	-	-	-	714,290
Investment revaluation reserve	-	164,293	-	-	164,293
Accumulated income reserve	-	-	104,009	-	104,009
	£2,795,000	£310,566	226,319	(196,376)	£3,135,509

KENDAL ALMSHOUSE CHARITY

Registered Charity Number 1172208

Homes England 5097

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Stables Thompson & Briscoe
Chartered Accountants
Statutory Auditors

KENDAL ALMSHOUSE CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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KENDAL ALMSHOUSE CHARITY

CHARITY INFORMATION

Established as CIO	22 March 2017
Principal Office	Suite 1, Cumbria Tourism Business Centre Windermere Road Staveley LA8 9PL
Registered Numbers	Registered Charity Number 1172208 Homes and Communities Agency Registration Number A1059
Trustees	Mr P G Ducksbury (Chair) Mrs C Dodwell (Vice Chair) Miss S J Barron (appointed 17 July 2023) Mrs H Fitch Ms L Gray Mrs J Hale Miss D Lund Mr J Stirling
Managing agent	H & H Land & Estates Suite 1, Cumbria Tourism Business Centre Windermere Road Staveley LA8 9PL Tel: 01539 721375
Bankers	Barclays Bank Plc 9 Highgate Kendal Cumbria LA9 4DF
Independent Auditors	Stables Thompson & Briscoe Chartered Accountants Statutory Auditors Lowther House Lowther Street Kendal LA9 4DX

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their report and the audited financial statements for the year ended 31 December 2023.

Governance, Aims, Structure and Management

Governing Document

The Kendal Almshouse Charity was originally five charitable organisations registered with the Charity Commission. In 1987, the charities were amalgamated to create the Kendal Almshouse Charity under a Memorandum of Association which established the objects and powers of the charitable organisation, dated 2 December 1987. In 2014 the assets and liabilities of Kendal War Memorial Trust were acquired by Kendal Almshouse Charity.

In March 2017, the Charity Commission approved the conversion to a Charitable Incorporated Organisation (CIO). All the assets and operations were transferred into the CIO from June 2017. The Charity Number of the CIO is 1172208.

Recruitment and Appointment of Trustees

There are eight Trustees at the date of this report, with one new trustee recruited during the last year.

Mr P G Ducksbury remains Chair. Mrs C Dodwell remains as Vice Chair. Mrs J Hale is currently Chair of the Finance Committee, Mrs H Fitch is Chair of the Lettings Committee and Miss D Lund is Chair of the Building Committee.

Ten Trustees would be the ideal structure. Trustees are encouraged to "network" to find suitable new Trustees and the Charity advertises positions available.

The skills of the Trustees are regularly reviewed, and they are all encouraged to take a lead in an aspect of the Charity business. Each Trustee is appointed to at least one of the three committees; Finance, Buildings or Lettings.

It is the policy of the Charity to appoint Trustees with experience in the letting of residential property, care of the elderly and those in need, building construction, finance, investment and legal matters.

Trustee Induction and Training

Prior to appointment of new Trustees, the candidates are provided with an induction pack which includes the Governing Instrument and minutes of recent quarterly meetings of the committees and the full Trustees.

The Chair and Clerk meet candidates to discuss the background, history and policy of the Charity, together with the future plans and objectives of the organisation, before their appointment. Each potential Trustee attends a quarterly Trustee meeting, as an observer, before being appointed.

Charity Commission publications are also made available, together with publications from the National Association of Almshouses of which Kendal Almshouse Charity is a member. The standard of Almshouse Management publication is made available for candidates.

New Trustees are issued with a Trustee Handbook which details how the Charity is run and what is expected of them.

The implications of being a Registered Social Housing Provider are also explained to new Trustees.

Organisational Structure

The Finance Committee meets at least every quarter, before each quarterly Trustee meeting. The Letting Committee and Building Committee meet regularly. Recently appointed Trustees are appointed to a specific Committee which is relevant to their experience.

All committees comprise a minimum of three Trustees and operate under terms of reference.

The Letting Committee meets to decide to appoint applicants seeking a home, based on the aims and objectives of the Charity and the circumstances of the individual applicants. It also liaises with the Building Committee as regards upgrading of vacant units.

The function of the Building Committee is to advise the Trustees on major improvements, refurbishment schemes and the conclusions of the quinquennial survey reports. Quinquennial reports are obtained on the general condition of the housing stock with recommendations on improvements and urgent repairs needed. These reports are undertaken by a professional Building Surveyor. Quinquennial inspections were last undertaken in 2020 and we will be going out to tender for quinquennial surveys on all the property stock later this year. There are no significant building repairs required but there is an ongoing programme of replacing boilers, internal upgrades and external decoration.

The Building Committee has been concentrating on the redevelopment of the "Romleigh" site which has been vacant since 2019. Planning permission was obtained during 2021 to demolish the bungalow and rebuild with two semi-detached one bedroom dwellings and a new planning application to vary the design was submitted in 2022 (approved February 2023). Following two tender processes, a preferred contractor was appointed with a contract price of £541,505.35. Work on site commenced in July 2023 with completion scheduled for April 2024.

The Charity has secured total grant funding of £248,000; £208,000 from Homes England and £40,000 from Westmorland & Furness Council (WFC). The Charity has received the WFC grant in full and 75% of the Homes' England, with the remaining 25% due on completion.

The Charity obtained a loan from Charity Bank in the sum of £480,000, part of which was used to settle the outstanding Barclays loan taken out for the refurbishment of the Sleddal Victoria Almshouses after the devastation caused by flooding in 2015, resulting in net borrowings of c.£270,000 towards the Romleigh project. The loan was secured against the properties at Nobles Rest. The full amount of the loan has now been drawn down, with the final amount done on 22nd March 2024.

The remaining cost of the Romleigh project is being met from the Charity's reserves, further details of which are provided below. At the time the loan was taken out, there was some uncertainty about £100,000 of the grant funding, which was subsequently awarded. Consequently whereas it was anticipated that the Charity would use £200,000 of its reserves for the project, it is now expected to be closer to £100,000.

The charity follows the rules and regulations of Homes England.

Risk Management

The Finance Committee monitors the suitability and adequacy of the investments, taking into account the operational and other requirements of the Charity. It normally meets immediately prior to the full trustees meeting, providing accurate and timely reporting.

The Accountants are Registered Auditors, and the Clerk is a member of the Royal Institute of Chartered Surveyors.

Risk Management (continued)

Together with the existing management structure and administrative arrangements in place, regular monitoring of the agreed risk management policy and applicable indemnity insurance arrangements, the Trustees are satisfied that appropriate risk management practices are in place to meet the needs of the Charity and protect its activities.

To address the potential risk associated with the impending retirement of the Clerk, the Trustees have agreed and signed a Service Level Agreement with the Clerk's professional offices H & H Land and Estates, Chartered Surveyors. The Clerk's Office has instigated the gradual transfer and delegation of the Clerk's duties to colleagues, including the Accounts and Administration Department. The Service Level Agreement is reviewed at each quarterly meeting.

The Trust regularly reviews its policies by looking at two to three at each quarterly meeting. During 2023, up to the present date, almost all the policies and the risk assessment have been reviewed and updated.

There is some risk associated with the Romleigh project, however, at the date of this report, the project is approximately 80% complete and currently cost overrun is expected to be in the order of £2,363.75. The financial risk is being mitigated by securing grant funding and loan finance at the best possible rate, in order to keep use of the reserves in the order of £100,000. Increases in interest rates are a risk and the option to fix the mortgage rate will be kept under review by Trustees.

The risks associated with the construction and project management are mitigated by going through a tender process, putting in place a JTC contract with some contingency and a bond and the appointment of a professional team, including the Architect, Quantity Surveyor and Principle Designer. Saffer Cooper are also providing professional consultancy services in relation to the management of grant funding and claims.

Conflicts of Interest

At the start of each meeting of Trustees, including Committee meetings, attendees are asked to declare any conflicts of interest.

During the period all Trustees signed a declaration that they are not connected to any of the regular suppliers and contractors engaged by the Charity.

Objectives and Activities

Public Benefit

The Charity's principal objective is to provide a wide range of affordable unfurnished homes for those in need and who reside in the town of Kendal, Cumbria, and adjoining parishes, as defined in the Charity's Governing Instrument. Depending on the level of interest from these areas, it is permissible to extend the defined region into the areas formally within the District of South Lakeland and the Borough of Barrow-in-Furness (now within Westmorland & Furness Council).

The Trustees confirm that they have reviewed the Charity Commission's guidance on the provision of public benefit and consider that the public benefit requirement is duly satisfied by the activities carried out in achieving the Charity's objectives.

Vacancies for almshouses are advertised in a local weekly newspaper and on the Charity's website. Applicants are required to complete a detailed application form. All applications are formally considered by the Letting Committee, which will interview applicants as necessary. No restrictions are placed on applications by virtue of gender or for social, religious or ethnic reasons.

Public Benefit (continued)

Under the provisions of the Governing Instrument, preference is given to persons aged 50 years or more. Westmorland and Furness Council works closely with the Charity to help identify those in need in the area. The Charity also liaises with Social Services to adapt properties for the benefit of occupiers.

Regular inspections covering the general condition of the Charity's properties are undertaken by the Clerk and where necessary a qualified building surveyor to highlight improvements and other work needed to maintain the buildings in a good state of long-term repair. Additionally, the opportunity is normally taken, when a property becomes vacant, to improve the facilities as necessary. Supporting initiatives involve upgrading the quality of the Charity's housing stock to achieve Decent Homes Standards, a requirement of Homes England as Kendal Almshouse Charity is a Registered Social Housing Provider (RSHP).

In 2020 specialist surveyors were engaged to establish any immediate requirements necessary to the housing stock, excluding Sleddal Victoria Almshouses which were substantially refurbished and restored after the 2015 floods, to comply with Decent Home Standard Status. All items highlighted to be addressed in the medium term have been addressed.

Achievements and Performance

Target Rents

The weekly maintenance contributions are maintained within the guidelines of the Homes and Communities Agency. All the housing stock, with the exception of Romleigh, formerly the property of the Kendal War Memorial Trust, are now at target rents. The weekly maintenance contributions were reviewed and increased in line with the Homes England guidelines, with effect from January 2024.

Improvements and Maintenance

Romleigh was demolished in 2023 and two new almshouses are being constructed on the site. These are expected to be ready to occupy by early summer.

There are no other significant capital works or improvements proposed for 2024.

A large stone boundary wall at Nobles Rest which had partially collapsed was rebuilt during 2023.

External decoration of the almshouses at Sandes Hospital and the front elevation of the Sleddal Victoria almshouses was carried out in 2023, with the rear elevation due to be completed Spring 2024.

As properties have become vacant, they have undergone minor improvements and refurbishment.

Financial Review

An annual budget was considered and agreed by the Trustees at the 2023 and 2024 meetings, based on the recommendations from the National Association of Almshouses for annual amounts for each of the three designated funds, being routine maintenance, extraordinary repairs and cyclical maintenance.

The outcome of the charity's operations for the year ended 31st December 2023 shows an operating surplus in the Statement of Comprehensive Income of £59,069 up £14,464 on 2022, primarily due to the expenditure on the development of Romleigh now being in the construction phase. Total comprehensive income was £72,750 for the year which was higher than the total of £21,882 for 2022 primarily due to the reversal of the movement in the fair value of the investments.

Any costs relating to Romleigh from January 2023 onwards have been capitalised.

Reserves Policy

At 31 December 2023 the Charity had a surplus on accumulated income of £224,409 before the long term mortgage of £291,263.

The Trustees have adopted a reserves policy to build a free reserve equivalent to one year's income from weekly maintenance contributions (currently £223,226). The reserve set aside provides financial stability and the means to the development of the principle activity. Our reserve level is set with the knowledge that significant void levels may occur due to the age and type of properties. Trustees are aware that some properties lie within the Kendal Flood Zone and have experience of significant prolonged voids as a consequence of flooding, although flood prevention measures are currently under construction.

The Trustees meet regularly, quarterly, to review the amount of reserves that are required to ensure that they are adequate to fulfil the continuing obligations.

It was proposed to use £100,000 of the accumulated income for the Romleigh project in 2023, with another £100,000 required for Romleigh coming from the Emergency Repair Fund investments if required. To date £13,061 of accumulated income has been used. The total investments at 31 December 2023 are £335,977.

Investment Policy

The Charity's objective for the investment of funds not required for short-term and medium-term operational reasons is to apply such funds so as to achieve a balance between income generation and capital growth over the longer term, consistent with the degree of risk considered acceptable by the Trustees. Accordingly, the funds are invested in COIF and NAACIF which are considered to provide an adequate spread of risk and an acceptable return and are monitored regularly by the Finance Committee.

Value for money

Kendal Almshouse Charity assesses how it is achieving value for money in delivering its purpose and objectives, in accordance with the regulator's standard on value for money. This means managing resources economically, efficiently and effectively to provide quality services and homes. The Trustees review Target rents, investment performance, expenses and the charity's resources while seeking to achieve decent homes standard and maintain the level of service expected by tenants.

Value for money metrics

Kendal Almshouse Charity is a small provider for the purposes of disclosure of the Value for Money Metrics. Disclosures are as follows:

	2023	2022	2021	2020	2019
Reinvestment %	0%	0%	0%	0%	0%
New supply delivered	0%	0%	0%	0%	0%
Gearing	11%	8%	8%	8%	12%
EBITDA MRI Interest cover	1216%	580%	-286%	1115%	686%
Headline Social Housing Cost per unit	£3,837	£4,535	£5,033	£2,255	£2,411
Operating margin	26%	23%	-11%	26%	46%
Return on Capital Employed	2%	1%	-1%	1%	4%

The Value for Money Metrics are variable as this is a small RSL and any project will affect the ratios more than larger RSLs.

Statement of compliance

Kendal Almshouse Charity as a registered provider of social housing assesses compliance with the Governance and Financial Viability Standard code of Practice issued by the Homes and Communities Agency in April 2015 on an annual basis. The Charity has in place procedures and policies to comply with the code of practice and the trustees review these regularly.

Approved by the Trustees on 22 April 2024 and signed on their behalf by:

P G Ducksbury
Chair

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Charities Acts and registered social housing legislation require 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 the financial statements the Trustees are required to:

- select suitable accounting policies and 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 operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. The Trustees are responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 22 April 2024 and signed on their behalf by:

P G Ducksbury
Chair

Independent Auditor's report to the Trustees of Kendal Almshouse Charity

Opinion

We have audited the financial statements of Kendal Almshouse Charity for the year ended 31 December 2023, which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 December 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the board report; or

- sufficient accounting records have not been kept; or

Matters on which we are required to report by exception continued

- the financial statements are not in agreement with the accounting records; or

- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of the board

As explained more fully in the board's responsibilities statement set out on page 7, the board members (who are also the trustees of the association for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our experience and from discussions with management. We reviewed any related correspondence and records of trustee meetings to assess compliance with laws and regulations and discussed the current position with management. We ensured the audit team were alert for any indications of non-compliance throughout the audit work.

The charitable company is managed by a management company which reduces the risk of fraud. We assessed the management company's policies and procedures on fraud risks. No instances of actual, suspected or alleged fraud were identified by us or the managing company in the year.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of controls. We are not responsible for preventing non-compliance and cannot be expected to detect compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Use of this report

This report is made solely to the association's board, 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 association's board those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's board as a body, for our audit work, for this report, or for the opinions we have formed.

Stables Thompson & Briscoe
Statutory Auditor

Lowther House
Lowther Street
Kendal
Cumbria
LA9 4DX

Date: 29 April 2024

Stables Thompson & Briscoe is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF COMPREHENSIVE INCOME (INCLUDING INCOME AND EXPENDITURE)

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Year ended 31/12/2023		Year ended 31/12/2022	
		£	£	£	£
Turnover					
Maintenance contributions from residents			221,910		203,361
Less: losses from voids			(5,651)		(6,967)
			216,259		196,394
Operating Costs					
Services		32,741		34,566	
Routine maintenance		29,050		20,668	
Cyclical maintenance		25,578		29,321	
Extraordinary repairs		33,934		18,202	
Management		36,000		36,000	
Romleigh development		-		47,173	
			(157,303)		(185,930)
Other income					
Donations and wayleave		113		113	
Grant received from Homes England for Romleigh		-		34,028	
			113		34,141
Operating Surplus/(Deficit)			59,069		44,605
Income from fixed asset investments			3,570		3,442
Interest receivable and similar income			2,326		220
Interest and financing costs			(17,626)		(8,290)
Movement in fair value of investments	5		25,411		(18,095)
Surplus/(Deficit) on Ordinary Activities Before Taxation	3		72,750		21,882
Taxation on surplus on ordinary activities	1 (o)		-		-
Total comprehensive income for the year			72,750		21,882

These financial statements were approved by the Trustees on 22 April 2024 and signed on their behalf by:

P G Ducksbury
Trustee

Mrs J Hale
Trustee

The annexed notes form part of these financial statements.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 DECEMBER 2023

	Restricted reserves £	Endowment reserves £	Designated reserves £	Property Revaluation reserve £	Investment Revaluation reserve £	Accumulated income £	Total £
At 31 December 2021 and 1 January 2022	-	61,631	2,061,632	714,290	176,571	108,503	3,122,627
Prior year adjustment re prepayments						(9,000)	(9,000)
As restated	-	61,631	2,061,632	714,290	176,571	99,503	3,113,627
Surplus (deficit) for the year	-	(5,817)			(12,278)	39,977	21,882
Transfers between reserves	-		35,471			(35,471)	-
Investment in property							-
Total comprehensive income	-	(5,817)	35,471	-	(12,278)	4,506	21,882
At 31 December 2022 and 1 January 2023	-	55,814	2,097,103	714,290	164,293	104,009	3,135,509
Surplus (deficit) for the year	-	4,030			21,381	47,339	72,750
Transfers between reserves	-		(73,061)			73,061	-
Investment in property							-
Total comprehensive income	-	4,030	(73,061)	-	21,381	120,400	72,750
At 31 December 2023	-	59,844	2,024,042	714,290	185,674	224,409	3,208,259

The annexed notes form part of these financial statements.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Notes	31/12/2023		31/12/2022 As restated	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	4		2,795,000		2,795,000
Asset in the course of construction	4		641,486		-
Investments	5		335,977		310,566
			3,772,463		3,105,566
Current Assets					
Debtors	6	10,472		7,516	
Bank Current account		32,794		33,281	
Bank Deposit accounts		210,320		223,431	
		253,586		264,228	
Creditors					
Amounts falling due within one year	7	(526,527)		(37,909)	
Net Current Assets			(272,941)		226,319
Total assets less current liabilities			3,499,522		3,331,885
Creditors					
Amounts falling due after one year	8		(291,263)		(196,376)
Total Net Assets	15		£3,208,259		£3,135,509
The Funds of the Charity					
Permanent endowment funds	10		59,844		55,814
Designated funds	11		2,024,042		2,097,103
Property revaluation reserve	12		714,290		714,290
Investment revaluation reserve	13		185,674		164,293
Accumulated income reserve	14		224,409		104,009
			£3,208,259		£3,135,509

These financial statements were approved by the Trustees on 22 April 2024 and signed on their behalf by:

P G Ducksbury
Trustee

Mrs J Hale
Trustee

The annexed notes form part of these financial statements.

1 Principal Accounting Policies

a) **Legal status**

Kendal Almshouse Charity is an Incorporated Charitable Entity (CIO) registered with the Charity Commission on 22 March 2017 (number 1172208) and is a private registered provider of social housing in the United Kingdom.

The Charity constitutes a public benefit entity as defined by FRS 102.

b) **Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Charities Act 2011. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the Registered Provider, and rounded to the nearest £.

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

As a small entity, the Charity is not required to produce a Cash Flow Statement.

c) **Going concern**

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

d) **Tangible fixed assets**

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

The Charity's tangible fixed assets are made up of housing properties which are principally almshouses some of which were acquired in 1887 and have previously been recorded in the accounts at cost, which was well below the existing use value as social housing (EUV - SH) or open market value. When the properties were transferred to the CIO the opportunity was taken to value the properties and the EUV-SH value has been brought into these accounts (see note 4).

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value. In the case of the housing properties held at valuation, depreciation is considered to be immaterial due to the high residual value and so is not provided.

Freehold land is not depreciated. Housing properties under construction are not depreciated until they are in use and the useful economic lives of all tangible fixed assets are reviewed annually.

1 Principal Accounting Policies (continued)

d) **Tangible fixed assets (continued)**
As the housing properties are now shown at existing use valuation for social housing, and the open market value of these properties is roughly twice the EUV-SH value, the residual value of the properties is considered to be higher than the carrying value and as such depreciation is not provided.

The valuations will be reviewed on a regular basis.

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

Rights of social landlords to have improvement works carried out to properties by a third party (such as a local authority) are recognised as prepayments where payment has occurred in advance of the works being carried out and receipts in advance from the same third party recognised as liabilities. Assets and liabilities or income and expenditure are not offset.

f) **Prior year adjustment - correction of error**
Historically the last quarter of H & H Land and Estates fees were included as a prepayment on the mistaken understanding that the fees were charged in advance. This was incorrect and the prepayment has been removed. As this goes back many years there is no effect on the Income and Expenditure Account but only on the Statement of Financial Position where Debtors and the brought forward balance on the Accumulated Income reserve have been reduced by £9,000.

g) **Investments**
Investments are recognised initially at cost. Subsequently, they are measured at fair value through the statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

h) **Loans and borrowings**
Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

i) **Social Housing Grants (SHG) and Other Grants**
SHG received as a grant towards revenue expenditure is matched against that expenditure by being included in turnover in the income and expenditure account. The related expenditure is included under operating costs. SHG is recognised in the same period as the related expenditure provided the conditions for its receipt have been satisfied and there is reasonable assurance that the grant will be received. Capital grants are shown in liabilities until the project is completed and then released to turnover.

j) **Provisions**
Provisions are recognised when the Charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Provisions for cyclical maintenance or major works to existing stock are not made unless they represent commitments or obligations at the Balance Sheet date where there is no discretion to avoid or delay the expenditure.

1 Principal Accounting Policies (continued)

j) Provisions (continued)

Recycled Capital Grants Fund

Capital grants can be recycled under certain condition, if a property is sold, or if another relevant event takes place. Recycled grants can be used for projects approved by the Homes and Communities Agency (HCA) and they are credited to the Recycled Capital Grant Fund within liabilities.

In certain circumstances, such as the sale of housing properties, capital grants may be repayable, and, in that event, is subordinated to the repayment of other loans by agreement with the Homes and Communities Agency (HCA). It is accounted for as soon as the liability arises within Creditors: Amounts falling due within one year. When any grant to be recycled or repaid is less than the grant relating to the disposal, the difference is treated as abated grant. Abated capital grants are treated as a component of the surplus or deficit on disposal.

k) Turnover and other income

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

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Homes and Communities Agency.

Property Managed by Agents
Where the Charity carries the financial risk on property managed by agents, all the income and expenditure arising from the property is included in the Statement of Comprehensive Income.

Where the agency carries the financial risk, the Statement of Comprehensive Income includes only that income and expenditure which relates solely to the Charity.

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

l) Routine Repairs and Maintenance

The costs of routine repairs and maintenance are charged to the Income and Expenditure Account in the year in which they are incurred.

m) Extraordinary Repairs

Costs of extraordinary repairs, unless representing capital improvements to the properties, are charged to the Income and Expenditure Account in the year in which they are incurred.

n) Value Added Tax

Kendal Almshouse Charity is not registered for VAT. In these financial statements, where applicable, expenditure is shown inclusive of VAT.

o) Current Taxation

No taxation is payable by Kendal Almshouse Charity since it has charitable status and its charitable activities are exempt from tax.

1 Principal Accounting Policies (continued)

p) Designated and Restricted Funds

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

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

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

Endowment funds represent those assets which must be held permanently by the Charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal fees relating to the fund are charged against the fund.

Investment income and gains are allocated to the appropriate fund.

There are three designated funds in these accounts:

Property Fund
This represents that proportion of the cost of properties which was financed by charitable donations and the Charity's own resources.

Cyclical Maintenance Fund
This Fund represents amounts set aside for cyclical maintenance to meet costs in excess of budgeted expenditure for any year.

Extraordinary Repairs Fund
This Fund represents amounts set aside to carry out unexpected repairs and capital improvements on housing properties.

2 Board and key management personnel remuneration

Key management are defined as the Trustees.

None of the Trustees received any emoluments or had reimbursed expenses. The Trustees have a service agreement with H&H Land & Estates who manage the properties on a day to day basis. The management fees payable were as follows:

	31/12/2023	31/12/2022
	£	£
Management fees	£40,200	£45,960

3 Surplus on Ordinary Activities

	31/12/2023	31/12/2022
	£	£
Surplus on ordinary activities is stated after charging:		
Auditors' remuneration in their capacity as Auditors	£6,350	£6,350
Surplus/(deficit) on fair value movement of investments	£25,411	£(18,095)

Auditors' remuneration includes £3,654 for preparing the accounts.

4 Fixed Assets: Freehold Housing Property

	Sledall Victoria and Aynam Chapel	Nobles Rest	Sandes Hospital	John Aston Watkins	Romleigh and War Memorial Gardens	Total
	£	£	£	£	£	£
Valuation 1 January 2023	1,370,000	715,000	450,000	180,000	80,000	2,795,000
Additions	-	-	-	-	-	-
(Impairment)/ (Reverse revaluation)	-	-	-	-	-	-
Valuation as at 31/12/2023	£1,370,000	£715,000	£450,000	£180,000	£80,000	£2,795,000

The properties were independently valued on the transfer of assets to the CIO by Thomson Associates on 31 May 2018. Two valuations were prepared, one for market value with vacant possession which totalled £5,615,000 and one subject to almshouse and residency restrictions which equates to existing use value - social housing as required by the Housing SORP 2014. The latter is the value used in these accounts to comply with the SORP.

The properties were all held for letting and represented 41 general housing units.

General works to properties amounted to £88,562 (2022 - £68,191).

The original cost of the properties is a mix of the valuation at the time of transfer to the charity and subsequent development work and amounts to £2,895,407 less Social Housing grants of £449,120.

Impairment losses of £659,697 are included in those figures.

Asset in the course of construction

	Romleigh	Total
	£	£
Additions	641,486	641,486
Cost at 31 December 2023	£641,486	£641,486

Grants of £156,000 were received from Homes England towards this development in the year and a further £40,000 was received from Westmorland and Furness Council in January 2024.

All the properties are going to be revalued next year once the development has been completed.

5 Investments

	Extraordinary Repairs Fund	Permanent Endowment Fund	Cyclical Maintenance Fund	Total
	£	£	£	£
Historical cost at 1 January 2023	46,102	13,714	44,357	104,173
Historical cost at 31 December 2023	£46,102	£13,714	£44,357	£104,173
Market value at 1 January 2023	184,761	55,814	69,991	310,566
Unrealised surplus/(deficit)	17,155	4,030	4,226	25,411
Market value at 31 December 2023	£201,916	£59,844	£74,217	£335,977

All the investments are placed with COIF and M&G.

6 Debtors: Amounts Falling Due Within One Year

	31/12/2023	31/12/2022 As restated
	£	£
Weekly maintenance contributions	1,553	398
Other debtors	1,284	-
Prepayments	7,635	7,118
	£10,472	£7,516

7 Creditors: Amounts Falling Due Within One Year

	31/12/2023	31/12/2022
	£	£
Trade creditors	68,243	17,427
Bank loan due within one year	6,417	13,882
Grant received for asset in the course of construction	156,000	-
Asset in the course of construction contracted expenses	289,267	-
Accruals and deferred income	6,600	6,600
	£526,527	£37,909

The contracted expenses are covered by further loan drawdowns and grants.

8 Creditors: Amounts Falling Due After One Year

	31/12/2023	31/12/2022
	£	£
Bank loan due after one year	291,263	196,376
	£291,263	£196,376

The loan is repayable over 25 years, interest only for the first twelve months, with interest charged at base rate + 2.1%.

The loan is secured by a legal charge on the freehold housing property at Nobles Rest.

Debt analysis

Based on the lenders earliest repayment date, borrowings are repayable as follows:

	31/12/2023	31/12/2022
	£	£
Within one year or on demand	6,417	13,882
One year or more but less than two years	15,400	14,354
Two years or more but less than five years	61,600	44,713
Five years or more	214,263	137,309
	£297,680	£210,258

9 Capital grants received

The charity has received assistance in renovation projects from the Homes and Community Agency and Westmorland and Furness Council by way of grants which would only be repayable if the charity were to sell the properties or cease acting as a social housing trust. As this is a remote possibility no provision for these has been made in these accounts. The amounts involved are as follows:

	31/12/2023	31/12/2022
	£	£
Sleddall Victoria and Aynam Chapel	618,960	618,960
Nobles Rest	115,423	115,423
Sandes Hospital	102,197	102,197
John Aston Watkins	27,540	27,540
Romleigh and War Memorial Gardens	34,028	34,028
	£898,148	£898,148

This does not include the current grants received shown in Creditors: due within one year.

10 Permanent Endowment Funds

	Permanent Endowment Fund	Investment Revaluation Fund	Total
	£	£	£
Balance at 1 January 2023	13,714	42,100	55,814
Unrealised surplus		4,030	4,030
Balance at 31 December 2023	£13,714	£46,130	£59,844

11 Designated Funds

	Property Fund	Extraordinary Repairs Fund	Cyclical Maintenance Fund	Total
	£	£	£	£
Balance at 1 January 2023	1,884,334	151,499	61,270	2,097,103
Trfs (to)/from Accumulated Income reserve		(8,760)	15,586	6,826
Investment in property	(94,887)	-	-	(94,887)
Transfer for Decent Homes Standard		7,500	7,500	15,000
Balance at 31 December 2023	£1,789,447	£150,239	£84,356	£2,024,042

The Property fund represents internal funds invested in property.
The other funds represent funds set aside for future works on property.

12 Property Revaluation Reserve

	Social Housing Revaluation Reserve	Total
	£	£
Balance at 1 January 2023	714,290	714,290
Movement in the year	-	-
Balance at 31 December 2023	£714,290	£714,290

13 Investment Revaluation Reserve

	Extraordinary Repairs Revaluation	Cyclical Maintenance Revaluation	Total
	£	£	£
Balance at 1 January 2023	138,659	25,634	164,293
Unrealised surplus	17,155	4,226	21,381
Balance at 31 December 2023	£155,814	£29,860	£185,674

14 Accumulated Income Reserve

		£
Balance at 1 January 2023		113,009
Prior year adjustment re prepayments		(9,000)
Balance at 1 January 2023 as restated		104,009
Surplus for the year ended 31 December 2023		47,339
Transfer from/(to):		
Investment in property - loan movements	94,887	
Investment in property - additions	-	
Designated funds - extraordinary repair fund under spend	8,760	
Designated funds - cyclical maintenance fund under spend	(15,586)	
Designated funds - Decent Homes Standard	(15,000)	73,061
Balance at 31 December 2023		224,409

15 Analysis of net assets between funds

	Tangible Fixed Assets £	Investments £	Net Current Liability £	Creditors due after one year £	Total 31/12/2023 £
Permanent endowment funds	-	59,844	-	-	59,844
Designated funds	2,080,710	90,459	144,136	(291,263)	2,024,042
Property revaluation reserve	714,290	-	-	-	714,290
Investment revaluation reserve	-	185,674	-	-	185,674
Accumulated income reserve	641,486	-	(417,077)	-	224,409
	£3,436,486	£335,977	(272,941)	(291,263)	£3,208,259

The net current liability position is covered by future loan drawdowns and promised grants.

Comparatives:	Tangible Fixed Assets £	Investments £	Net Current Assets £	Creditors due after one year £	Total 31/12/2022 £
Permanent endowment funds	-	55,814	-	-	55,814
Designated funds	2,080,710	90,459	122,310	(196,376)	2,097,103
Property revaluation reserve	714,290	-	-	-	714,290
Investment revaluation reserve	-	164,293	-	-	164,293
Accumulated income reserve	-	-	104,009	-	104,009
	£2,795,000	£310,566	226,319	(196,376)	£3,135,509

STABLES THOMPSON
& BRISCOE
CHARTERED ACCOUNTANTS & REGISTERED AUDITORS

Lowther House, Lowther Street, Kendal, Cumbria LA9 4DX
Tel: (01539) 720465
Email: enquiries@stb-accountants.co.uk www.stb-accountants.co.uk

Our reference: HH/KEN120

28 March 2024

The Trustees
Kendal Almshouse Charity
c/o 36 Finkle Street
Kendal
LA9 4AB

Dear Ladies and Gentlemen,

Kendal Almshouse Charity – Report to Management for the period ended 31 December 2023

It is normal procedure on completion of our audit work to write to inform you of the results of our audit and any findings where we consider that changes should be made to your accounting procedures.

The general findings of our audit were that the charity's financial transactions had been well controlled and that the accounting records had been accurately maintained.

There were a number of matters which arose during the course of our audit which we consider should be brought to your attention, or recommendations for possible improvements which could be made.

These matters came to light during the course of our normal audit tests which are designed to assist us in forming our opinion on the financial statements. Our tests may not necessarily disclose all errors or irregularities and should not be relied upon to do so. However, if any irregularity did come to our attention during our audit tests, we would, of course, inform you immediately.

We would be grateful if you could enter your comments against each point under the "comments" column of the memorandum and return it to us in due course.

We have complied with the Ethical Standard for Auditors and all threats to our independence have been properly addressed through appropriate safeguards. No additional facts or matters have arisen during the course of the audit that we wish to draw to your attention, and we confirm that we are independent and able to express an objective opinion on the financial statements.

This report has been prepared for the sole use of the trustees of the Kendal Almshouse Charity and with the exception of the Homes and Communities Agency Regulation Committee must not be shown to third parties without our prior consent. No responsibilities are accepted by Stables Thompson & Briscoe towards any party acting or refraining from action as a result of this report.

Finally, we would like to express our thanks to all members of the charity's staff who assisted us in carrying out our work.

Yours sincerely

KENDAL ALMSHOUSE CHARITY

SIGNIFICANT MATTERS RELEVANT TO OUR AUDIT FOR THE YEAR ENDED 31 DECEMBER 2023

Audit approach

There were no changes to our audit approach as set out in our meeting with you.

POINTS NOTED, IMPLICATIONS AND RECOMMENDATIONS	COMMENTS
The properties were last valued on 31/05/2018, this value needs to be kept under review and perhaps should be updated once the work on Romleigh has been completed to ensure it reflects the current position.	
Out of 12 bank reconciliations, 1 was only signed by a single signatory. To ensure procedures are correctly followed and fraud risks reduced, bank reconciliations should be dual authorised and signed, however this is a minor point.	
A new trustee was appointed in the year and the Register of Interests was not updated and signed by the new trustee. Any new trustees should review the Register of Interests and confirm they are not a related party to any approved suppliers.	

Internal controls

The purpose of the audit was for us to express an opinion on the financial statements. The audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Our audit is, therefore, not designed to identify all control weaknesses and the matters reported are limited to those deficiencies that we have identified during the audit.

Summary of audit differences and draft letter of representation

The total unadjusted misstatements identified in our audit work amounted to £797 which was considered to be immaterial.

We have sent a draft letter of management representations required in connection with our audit to you separately for approval.

Anticipated audit report

We anticipate that we will issue an unmodified audit report for the year, subject to the satisfactory clearance of any outstanding/unresolved the matters outlined in this report.

KENDAL ALMSHOUSE CHARITY

England & Wales - Charity number 1172208

Accounts

KENDAL ALMSHOUSE CHARITY

Registered Charity Number 1172208

Homes England 5097

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Stables Thompson & Briscoe
Chartered Accountants
Statutory Auditors

KENDAL ALMSHOUSE CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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KENDAL ALMSHOUSE CHARITY

CHARITY INFORMATION

Established as CIO	22 March 2017
Principal Office	36 Finkle Street Kendal Cumbria LA9 4AB
Registered Numbers	Registered Charity Number 1172208 Homes and Communities Agency Registration Number A1059
Trustees	Mr P G Ducksbury (Chair) Mrs C Dodwell (Vice Chair) Mrs H Fitch Ms L Gray Mrs J Hale Miss D Lund Mr J Stirling
Managing agent	H & H Land & Estates 36 Finkle Street Kendal Cumbria LA9 4AB Tel: 01539 721375 Fax: 01539 732600
Bankers	Barclays Bank Plc 9 Highgate Kendal Cumbria LA9 4DF
Independent Auditors	Stables Thompson & Briscoe Chartered Accountants Statutory Auditors Lowther House Lowther Street Kendal Cumbria LA9 4DX

The Trustees present their report and the audited financial statements for the year ended 31 December 2022.

Governance, Aims, Structure and Management

Governing Document

The Kendal Almshouse Charity was originally five charitable organisations registered with the Charity Commission. In 1987, the charities were amalgamated to create the Kendal Almshouse Charity under a Memorandum of Association which established the objects and powers of the charitable organisation, dated 2 December 1987. In 2014 the assets and liabilities of Kendal War Memorial Trust were acquired by Kendal Almshouse Charity.

In March 2017, the Charity Commission approved the conversion to a Charitable Incorporated Organisation (CIO). All the assets and operations were transferred into the CIO from June 2017. The Charity Number of the CIO is 1172208.

Recruitment and Appointment of Trustees

There are seven Trustees at the date of this report.

Mr P G Ducksbury remains Chair. Mrs C Dodwell is appointed at Vice Chair. Mr P G Ducksbury is currently Chair of the Finance Committee, Mrs H Fitch is Chair of the Lettings Committee and Miss D Lund is Chair of the Building Committee.

Ten Trustees would be the ideal structure. Trustees are encouraged to "network" to find suitable new Trustees and the Charity advertises positions available.

The skills of the Trustees are regularly reviewed, and they are all encouraged to take a lead in an aspect of the Charity business. Each Trustee is appointed to at least one of the three committees; Finance, Buildings or Lettings.

It is the policy of the Charity to appoint Trustees with experience in the letting of residential property, care of the elderly and those in need, building construction, finance, investment and legal matters.

Trustee Induction and Training

Prior to appointment of new Trustees, the candidates are provided with an induction pack which includes the Governing Instrument and minutes of recent quarterly meetings of the committees and the full Trustees.

The Chair and Clerk meet candidates to discuss the background, history and policy of the Charity, together with the future plans and objectives of the organisation, before their appointment. Each potential Trustee attends a quarterly Trustee meeting, as an observer, before being appointed.

Charity Commission publications are also made available, together with publications from the National Association of Almshouses of which Kendal Almshouse Charity is a member. The standard of Almshouse Management publication is made available for candidates.

New Trustees are issued with a Trustee Handbook which details how the Charity is run and what is expected of them.

The implications of being a Registered Social Housing Provider are also explained to new Trustees.

Organisational Structure

The Finance Committee meets at least every quarter, before each quarterly Trustee meeting. The Letting Committee and Building Committee meet regularly. Recently appointed Trustees are appointed to a specific Committee which is relevant to their experience.

All committees comprise a minimum of three Trustees and operate under terms of reference.

The Letting Committee meets to decide to appoint applicants seeking a home, based on the aims and objectives of the Charity and the circumstances of the individual applicants. It also liaises with the Building Committee as regards upgrading of vacant units.

The function of the Building Committee is to advise the Trustees on major improvements, refurbishment schemes and the conclusions of the quinquennial survey reports. Quinquennial reports are obtained on the general condition of the housing stock with recommendations on improvements and urgent repairs needed. These reports are undertaken by a professional Building Surveyor. Quinquennial inspections were last undertaken in 2019. There are no significant building repairs required but there is an ongoing programme of replacing boilers, internal upgrades and external decoration.

The Building Committee has been concentrating on the proposed redevelopment of the "Romleigh" site which has been vacant since 2019. Planning permission was obtained during 2021 to demolish the bungalow and rebuild with two semi- detached one bedroom dwellings and a new planning application to vary the design was submitted in 2022 (approved February 2023). Following two tender processes, a preferred contractor has been appointed and is expected to be instructed to undertake the work in 2023, subject to confirmation of funding. The Charity has secured total grant funding of £148,000 but is awaiting confirmation of whether Homes England will increase its award. The Charity is in the process of obtaining a loan from Charity Bank in the sum of £480,000, part of which will be used to settle the outstanding Barclays loan, resulting in net borrowings of c.£270,000. The remaining cost of the Romleigh project will be met from the Charity's reserves, further details of which are provided below.

The charity follows the rules and regulations of Homes England.

The Finance Committee monitors the suitability and adequacy of the investments, taking into account the operational and other requirements of the Charity. It normally meets immediately prior to the full trustees meeting, providing accurate and timely reporting.

Risk Management

The investments are monitored by the Finance Committee. The Accountants are Registered Auditors, and the Clerk is a member of the Royal Institute of Chartered Surveyors, H & H Land & Estates.

Together with the existing management structure and administrative arrangements in place, regular monitoring of the agreed risk management policy and applicable indemnity insurance arrangements, the Trustees are satisfied that appropriate risk management practices are in place to meet the needs of the Charity and protect its activities.

To address the potential risk associated with the impending retirement of the Clerk, the Trustees have agreed and signed a Service Level Agreement with the Clerk's professional offices, Chartered Surveyors. The Clerk's Office has instigated the gradual transfer and delegation of the Clerk's duties to colleagues, including the Accounts and Administration Department. The Service Level Agreement is reviewed at each quarterly meeting.

The Trust regularly reviews its policies by looking at two to three at each quarterly meeting. During 2022, up to the present date, almost all the policies and the risk assessment have been reviewed and updated.

Risk Management (continued)

There is some risk associated with the Romleigh project. The financial risk is being managed by securing grant funding and loan finance at the best possible rate, in order to keep use of the reserves in the order of £200,000. Increases in interest rates are a risk and the option to fix the mortgage rate will be kept under review by Trustees.

The properties at Nobles Rest will be charged as security for the Charity Bank loan, as they have been for the Barclays loan.

The risks associated with the construction and project management are mitigated by going through a tender process, putting in place a JTC contract with some contingency and a bond and the appointment of a professional team, including the Architect, Quantity Surveyor and Principle Designer. Saffer Cooper are also providing professional consultancy services in relation to the management of grant funding and claims.

Conflicts of Interest

At the start of each meeting of Trustees, including Committee meetings, attendees are asked to declare any conflicts of interest.

During the period all Trustees signed a declaration that they are not connected to any of the regular suppliers and contractors engaged by the Charity.

Objectives and Activities

Public Benefit

The Charity's principal objective is to provide a wide range of affordable unfurnished homes for those in need and who reside in the town of Kendal, Cumbria, and adjoining parishes, as defined in the Charity's Governing Instrument. Depending on the level of interest from these areas, it is permissible to extend the defined region into the areas formally within the District of South Lakeland and the Borough of Barrow-in-Furness (now within Westmorland & Furness Council).

The Trustees confirm that they have reviewed the Charity Commission's guidance on the provision of public benefit and consider that the public benefit requirement is duly satisfied by the activities carried out in achieving the Charity's objectives.

Vacancies for almshouses are advertised in a local weekly newspaper and on the Charity's website. Applicants are required to complete a detailed application form. All applications are formally considered by the Letting Committee, which will interview applicants as necessary. No restrictions are placed on applications by virtue of gender or for social, religious or ethnic reasons.

Under the provisions of the Governing Instrument, preference is given to persons aged 50 years or more. South Lakeland District Council works closely with the Charity to help identify those in need in the area. The Charity also liaises with Social Services to adapt properties for the benefit of occupiers.

Regular inspections covering the general condition of the Charity's properties are undertaken by the Clerk and where necessary a qualified building surveyor to highlight improvements and other work needed to maintain the buildings in a good state of long-term repair. Additionally, the opportunity is normally taken, when a property becomes vacant, to improve the facilities as necessary. Supporting initiatives involve upgrading the quality of the Charity's housing stock to achieve Decent Homes Standards, a requirement of Homes England as Kendal Almshouse Charity is a Registered Social Housing Provider (RSHP).

Public Benefit (continued)

In 2019 specialist surveyors were engaged to establish any immediate requirements necessary to the housing stock, excluding Sleddal Victoria Almshouses which were substantially refurbished and restored after the 2015 floods, to comply with Decent Home Standard Status. All items highlighted to be addressed in the medium term have been addressed.

Achievements and Performance

Target Rents

The weekly maintenance contributions are maintained within the guidelines of the Homes and Communities Agency. All the housing stock, with the exception of Romleigh, formerly the property of the Kendal War Memorial Trust, are now at target rents. The weekly maintenance contributions were reviewed and increased in line with the Homes England guidelines, with effect from January 2023.

Romleigh remains vacant since the departure of the occupier in 2019. The future redevelopment of the site is mentioned above.

Improvements and Maintenance

Nos 1 – 8, 9, 9A, 9B, 10 and 11 Nobles Rest, are located in a Conservation Area. The window frames, many of which were single glazed metal units, and doors were replaced in March 2022 with a combination of double glazed upvc and timber frames at a total cost of £79,056.

The bank loan of £370,000 obtained to assist with the cost of the refurbishment and restoration of Sleddal Victoria Almshouses after the devastation caused by flooding in 2015, was reduced to £210,258 at the end of the financial year.

Trustees reviewed the strategy on how best to redevelop the site of "Romleigh" during the year and resolved that the most cost effective alternative is to demolish and replace with two "ECO" semi-detached units, despite the significant increase in build costs resulting in a revised estimated cost of £610,000 including professional fees. This is to be financed by Homes England, some of the Charity's reserves and a bank loan. The intention is to start work in 2023.

There is large stone boundary wall at Nobles Rest which requires rebuilding to make it safe. This is expected to cost in the region of £5,000. There are no other significant capital works or improvements proposed for 2023.

Financial Review

An annual budget was considered and agreed by the Trustees at the 2022 and 2023 meetings, based on the recommendations from the National Association of Almshouses for annual amounts for each of the three designated funds, being routine maintenance, extraordinary repairs and cyclical maintenance.

The outcome of the charity's operations for the year ended 31st December 2022 shows an operating surplus in the Statement of Comprehensive Income of £44,605 up £65,585 on 2021, primarily due to less expenditure on routine maintenance, cyclical maintenance and extraordinary repairs. Total comprehensive income was £21,882 for the year which was higher than the total of -£18,051 for 2021 but reduced from the operating surplus due to the downward movement in the fair value of the investments.

The operating costs include pre-development costs relating to Romleigh of £47,173, part of which was offset by a grant received from Homes England of £34,028. It is not proposed to capitalise these costs as they relate to the original design rather than the amended design which will be taken forward. Any costs relating to Romleigh from January 2023 onwards will be capitalised provided the project proceeds.

Reserves Policy

At 31 December 2022 the Charity had a surplus on accumulated income of £116,473 before the long term mortgage of £210,258.

The Trustees have adopted a reserves policy to build a free reserve equivalent to one year's income from weekly maintenance contributions (currently £222,627). The reserve set aside provides financial stability and the means to the development of the principle activity. Our reserve level is set with the knowledge that significant void levels may occur due to the age and type of properties. Trustees are aware that some properties lie within the Kendal Flood Zone and have experience of significant prolonged voids as a consequence of flooding, although flood prevention measures are currently under construction.

The Trustees meet regularly, quarterly, to review the amount of reserves that are required to ensure that they are adequate to fulfil the continuing obligations.

It is proposed to use £100,000 of the accumulated income for the Romleigh project in 2023. This will impact on the Trustees' target for free reserves in the short term. Another £100,000 required for Romleigh is proposed to come from the Emergency Repair Fund investments. The total investments at 31 December 2022 are £310,340.

Investment Policy

The Charity's objective for the investment of funds not required for short-term and medium-term operational reasons is to apply such funds so as to achieve a balance between income generation and capital growth over the longer term, consistent with the degree of risk considered acceptable by the Trustees. Accordingly, the funds are invested in COIF and NAACIF which are considered to provide an adequate spread of risk and an acceptable return and are monitored regularly by the Finance Committee.

Value for money

Kendal Almshouse Charity assesses how it is achieving value for money in delivering its purpose and objectives, in accordance with the regulator's standard on value for money. This means managing resources economically, efficiently and effectively to provide quality services and homes. The Trustees review Target rents, investment performance, expenses and the charity's resources while seeking to achieve decent homes standard and maintain the level of service expected by tenants.

Value for money metrics

Kendal Almshouse Charity is a small provider for the purposes of disclosure of the Value for Money Metrics. Disclosures are as follows:

	2022	2021	2020	2019
Reinvestment %	0%	0%	0%	0%
New supply delivered	0%	0%	0%	0%
Gearing	8%	8%	8%	12%
EBITDA MRI Interest cover	580%	-286%	1115%	713%
Headline Social Housing Cost per unit	£4,535	£5,033	£2,255	£2,411
Operating margin	23%	-11%	26%	46%
Return on Capital Employed	1%	-1%	1%	2%

The Value for Money Metrics are more normal for 2019 and then 2020 and 2021 have been distorted by COVID.

Statement of compliance

Kendal Almshouse Charity as a registered provider of social housing assesses compliance with the Governance and Financial Viability Standard code of Practice issued by the Homes and Communities Agency in April 2015 on an annual basis. The Charity has in place procedures and policies to comply with the code of practice and the trustees review these regularly.

Approved by the Trustees on 17 April 2023 and signed on their behalf by:

P G Ducksbury
Chair

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Charities Acts and registered social housing legislation require 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 the financial statements the Trustees are required to:

- select suitable accounting policies and 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 operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. The Trustees are responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 17 April 2023 and signed on their behalf by:

P G Ducksbury
Chair

Opinion
We have audited the financial statements of Kendal Almshouse Charity for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 December 2022, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the board report; or

- sufficient accounting records have not been kept; or

Matters on which we are required to report by exception continued

- the financial statements are not in agreement with the accounting records; or

- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of the board

As explained more fully in the board's responsibilities statement set out on page 7, the board members (who are also the trustees of the association for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our experience and from discussions with management. We reviewed any related correspondence and records of trustee meetings to assess compliance with laws and regulations and discussed the current position with management. We ensured the audit team were alert for any indications of non-compliance throughout the audit work.

The charitable company is managed by a management company which reduces the risk of fraud. We assessed the management company's policies and procedures on fraud risks. No instances of actual, suspected or alleged fraud were identified by us or the managing company in the year.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of controls. We are not responsible for preventing non-compliance and cannot be expected to detect compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Use of this report

This report is made solely to the association's board, 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 association's board those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's board as a body, for our audit work, for this report, or for the opinions we have formed.

Stables Thompson & Briscoe
Statutory Auditor

Lowther House
Lowther Street
Kendal
Cumbria
LA9 4DX

Date: 22 May 2023

Stables Thompson & Briscoe is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF COMPREHENSIVE INCOME (INCLUDING INCOME AND EXPENDITURE)

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Year ended 31/12/2022		Year ended 31/12/2021	
		£	£	£	£
Turnover					
Maintenance contributions from residents			203,361		193,194
Less: losses from voids			(6,967)		(7,929)
			196,394		185,265
Operating Costs					
Services		34,566		40,265	
Routine maintenance		20,668		25,309	
Cyclical maintenance		29,321		79,022	
Extraordinary repairs		18,202		25,045	
Management		36,000		36,717	
Romleigh development		47,173		-	
			(185,930)		(206,358)
Other income					
Donations and wayleave		113		113	
Grant received from Homes England for Romleigh		34,028		-	
			34,141		113
Operating Surplus/(Deficit)			44,605		(20,980)
Income from fixed asset investments			3,442		3,310
Interest receivable and similar income			220		23
Interest and financing costs			(8,290)		(6,182)
Movement in fair value of investments	5		(18,095)		40,922
Surplus/(Deficit) on Ordinary Activities Before Taxation	3		21,882		17,093
Taxation on surplus on ordinary activities	1 (n)		-		-
Total comprehensive income for the year			21,882		17,093

These financial statements were approved by the Trustees on 17 April 2023 and signed on their behalf by:

P G Ducksbury
Trustee

Mrs C Dodwell
Trustee

The annexed notes form part of these financial statements.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 DECEMBER 2022

	Restricted reserves £	Endowment reserves £	Designated reserves £	Property Revaluation reserve £	Investment Revaluation reserve £	Accumulated income £	Total £
At 31 December 2020 and 1 January 2021	-	54,583	2,081,789	714,290	142,697	112,175	3,105,534
Surplus (deficit) for the period	-	7,048			33,874	(23,829)	17,093
Transfers between reserves	-		(20,157)			20,157	-
Investment in property							-
Total comprehensive income	-	7,048	(20,157)	-	33,874	(3,672)	17,093
At 31 December 2021 and 1 January 2022	-	61,631	2,061,632	714,290	176,571	108,503	3,122,627
Surplus (deficit) for the period	-	(5,817)			(12,278)	39,977	21,882
Transfers between reserves	-		35,471			(35,471)	-
Investment in property							-
Total comprehensive income	-	(5,817)	35,471	-	(12,278)	4,506	21,882
At 31 December 2022	-	55,814	2,097,103	714,290	164,293	113,009	3,144,509

The annexed notes form part of these financial statements.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Notes	31/12/2022		31/12/2021	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	4		2,795,000		2,795,000
Investments	5		310,566		328,661
			3,105,566		3,123,661
Current Assets					
Debtors	6	16,516		16,614	
Bank Current account		33,281		23,559	
Bank Deposit accounts		223,431		185,747	
		273,228		225,920	
Creditors					
Amounts falling due within one year	7	(37,909)		(21,914)	
Net Current Assets			235,319		204,006
Total assets less current liabilities			3,340,885		3,327,667
Creditors					
Amounts falling due after one year	8		(196,376)		(205,040)
Total Net Assets	14		£3,144,509		£3,122,627
The Funds of the Charity					
Permanent endowment funds	10		55,814		61,631
Designated funds	11		2,097,103		2,061,632
Property revaluation reserve	12		714,290		714,290
Investment revaluation reserve	13		164,293		176,571
Accumulated income reserve	14		113,009		108,503
			£3,144,509		£3,122,627

These financial statements were approved by the Trustees on 17 April 2023 and signed on their behalf by:

P G Ducksbury
Trustee

Mrs C Dodwell
Trustee

The annexed notes form part of these financial statements.

1 Principal Accounting Policies

a) **Legal status**

Kendal Almshouse Charity is an Incorporated Charitable Entity (CIO) registered with the Charity Commission on 22 March 2017 (number 1172208) and is a private registered provider of social housing in the United Kingdom.

The Charity constitutes a public benefit entity as defined by FRS 102.

b) **Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2014, and with the Accounting Direction for private registered providers of social housing in England 2015. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Charities Act 2011. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the Registered Provider, and rounded to the nearest £.

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

As a small entity, the Charity is not required to produce a Cash Flow Statement.

c) **Going concern**

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

d) **Tangible fixed assets**

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

The Charity's tangible fixed assets are made up of housing properties which are principally almshouses some of which were acquired in 1887 and have previously been recorded in the accounts at cost, which was well below the existing use value as social housing (EUV - SH) or open market value. When the properties were transferred to the CIO the opportunity was taken to value the properties and the EUV-SH value has been brought into these accounts (see note 4).

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value. In the case of the housing properties held at valuation, depreciation is considered to be immaterial due to the high residual value and so is not provided.

Freehold land is not depreciated. Housing properties under construction are not depreciated until they are in use and the useful economic lives of all tangible fixed assets are reviewed annually.

1 Principal Accounting Policies (continued)

d) Tangible fixed assets (continued)

As the housing properties are now shown at existing use valuation for social housing, and the open market value of these properties is roughly twice the EUV-SH value, the residual value of the properties is considered to be higher than the carrying value and as such depreciation is not provided.

The valuations will be reviewed on a regular basis.

e) Debtors and creditors receivable / payable within one year

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

Rights of social landlords to have improvement works carried out to properties by a third party (such as a local authority) are recognised as prepayments where payment has occurred in advance of the works being carried out and receipts in advance from the same third party recognised as liabilities. Assets and liabilities or income and expenditure are not offset.

f) Investments

Investments are recognised initially at cost. Subsequently, they are measured at fair value through the statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

g) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

h) Social Housing Grants (SHG) and Other Grants

SHG received as a grant towards revenue expenditure is matched against that expenditure by being included in turnover in the income and expenditure account. The related expenditure is included under operating costs. SHG is recognised in the same period as the related expenditure provided the conditions for its receipt have been satisfied and there is reasonable assurance that the grant will be received.

i) Provisions

Provisions are recognised when the Charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Provisions for cyclical maintenance or major works to existing stock are not made unless they represent commitments or obligations at the Balance Sheet date where there is no discretion to avoid or delay the expenditure.

Recycled Capital Grants Fund

Capital grants can be recycled under certain condition, if a property is sold, or if another relevant event takes place. Recycled grants can be used for projects approved by the Homes and Communities Agency (HCA) and they are credited to the Recycled Capital Grant Fund within liabilities.

1 Principal Accounting Policies (continued)

i) **Provisions (continued)**
In certain circumstances, such as the sale of housing properties, capital grants may be repayable, and, in that event, is subordinated to the repayment of other loans by agreement with the Homes and Communities Agency (HCA). It is accounted for as soon as the liability arises within Creditors: Amounts falling due within one year. When any grant to be recycled or repaid is less than the grant relating to the disposal, the difference is treated as abated grant. Abated capital grants are treated as a component of the surplus or deficit on disposal.

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

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Homes and Communities Agency.

Property Managed by Agents
Where the Charity carries the financial risk on property managed by agents, all the income and expenditure arising from the property is included in the Statement of Comprehensive Income.

Where the agency carries the financial risk, the Statement of Comprehensive Income includes only that income and expenditure which relates solely to the Charity.

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

k) **Routine Repairs and Maintenance**
The costs of routine repairs and maintenance are charged to the Income and Expenditure Account in the year in which they are incurred.

l) **Extraordinary Repairs**
Costs of extraordinary repairs, unless representing capital improvements to the properties, are charged to the Income and Expenditure Account in the year in which they are incurred.

m) **Value Added Tax**
Kendal Almshouse Charity is not registered for VAT. In these financial statements, where applicable, expenditure is shown inclusive of VAT.

n) **Current Taxation**
No taxation is payable by Kendal Almshouse Charity since it has charitable status and its charitable activities are exempt from tax.

o) **Designated and Restricted Funds**

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

1 Principal Accounting Policies (continued)

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

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

Endowment funds represent those assets which must be held permanently by the Charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal fees relating to the fund are charged against the fund.

Investment income and gains are allocated to the appropriate fund.

There are three designated funds in these accounts:

Property Fund
This represents that proportion of the cost of properties which was financed by charitable donations and the Charity's own resources.

Cyclical Maintenance Fund
This Fund represents amounts set aside for cyclical maintenance to meet costs in excess of budgeted expenditure for any year.

Extraordinary Repairs Fund
This Fund represents amounts set aside to carry out unexpected repairs and capital improvements on housing properties.

2 Board and key management personnel remuneration

Key management are defined as the Trustees.

None of the Trustees received any emoluments or had reimbursed expenses. The Trustees have a service agreement with H&H Land & Estates who manage the properties on a day to day basis. The management fees payable were as follows:

	31/12/2022 £	31/12/2021 £
Management fees	£45,960	£36,717

3 Surplus on Ordinary Activities

	31/12/2022	31/12/2021
	£	£
Surplus on ordinary activities is stated after charging:		
Auditors' remuneration in their capacity as Auditors	£6,350	£5,976
Surplus/(deficit) on fair value movement of investments	£(18,095)	£40,922

4 Fixed Assets: Freehold Housing Property

	Sledall Vistoria and Aynam Chapel	Nobles Rest	Sandes Hospital	John Aston Watkins	Romleigh and War Memorial Gardens	Total
	£	£	£	£	£	£
Valuation 1 January 2022	1,370,000	715,000	450,000	180,000	80,000	2,795,000
Additions	-	-	-	-	-	-
(Impairment)/ (Reverse revaluation)	-	-	-	-	-	-
Valuation as at 31/12/2022	£1,370,000	£715,000	£450,000	£180,000	£80,000	£2,795,000

The properties were independently valued on the transfer of assets to the CIO by Thomson Associates on 31 May 2018. Two valuations were prepared, one for market value with vacant posession which totalled £5,615,000 and one subject to almshouse and residency restrictions which equates to existing use value - social housing as required by the Housing SORP 2014. The latter is the value used in these accounts to comply with the SORP.

The properties were all held for letting and represented 41 general housing units.

General works to properties amounted to £68,191 (2021 - £129,376).

5 Investments

	Extraordinary Repairs Fund	Permanent Endowment Fund	Cyclical Maintenance Fund	Total
	£	£	£	£
Historical cost at 1 January 2022	46,102	13,714	44,357	104,173
Historical cost at 31 December 2022	£46,102	£13,714	£44,357	£104,173
Market value at 1 January 2022	193,012	61,631	74,018	328,661
Unrealised surplus/(deficit)	(8,251)	(5,817)	(4,027)	(18,095)
Market value at 31 December 2022	£184,761	£55,814	£69,991	£310,566

All the investments are placed with COIF and M&G.

6 Debtors: Amounts Falling Due Within One Year

	31/12/2022	31/12/2021
	£	£
Weekly maintenance contributions	398	776
Less: provision for bad and doubtful debts	-	-
	398	776
Other debtors	-	-
Prepayments	16,118	15,838
	£16,516	£16,614

7 Creditors: Amounts Falling Due Within One Year

	31/12/2022	31/12/2021
	£	£
Trade creditors	17,427	287
Bank loan due within one year	13,882	13,882
Accruals and deferred income	6,600	7,745
	£37,909	£21,914

8 Creditors: Amounts Falling Due After One Year

	31/12/2022	31/12/2021
	£	£
Bank loan due after one year	196,376	205,040
	£196,376	£205,040

The loan is repayable over 20 years by 222 monthly instalments of £2,063.22, with interest charged on a floating rate basis with a margin of 2.6% per annum.

The loan is secured by a legal charge on the freehold housing property.

8 Creditors: Amounts Falling Due After One Year (continued)

Debt analysis

Based on the lenders earliest repayment date, borrowings are repayable as follows:

	31/12/2022	31/12/2021
	£	£
Within one year or on demand	13,882	13,882
One year or more but less than two years	14,354	14,354
Two years or more but less than five years	44,713	44,713
Five years or more	137,309	145,973
	£210,258	£218,922

9 Capital grants received

The charity has received assistance in renovation projects from the Homes and Community Agency and SLDC by way of grants which would only be repayable if the charity were to sell the properties or cease acting as a social housing trust. As this is a remote possibility no provision for these has been made in these accounts. The amounts involved are as follows:

	31/12/2022	31/12/2021
	£	£
Sleddall Victoria and Aynam Chapel	618,960	618,960
Nobles Rest	115,423	115,423
Sandes Hospital	102,197	102,197
John Aston Watkins	27,540	27,540
Romleigh and War Memorial Gardens	34,028	-
	£898,148	£864,120

10 Permanent Endowment Funds

	Permanent Endowment Fund	Investment Revaluation Fund	Total
	£	£	£
Balance at 1 January 2022	13,714	47,917	61,631
Unrealised surplus/(deficit)		(5,817)	(5,817)
Balance at 31 December 2022	£13,714	£42,100	£55,814

11 Designated Funds

	Property Fund	Extraordinary Repairs Fund	Cyclical Maintenance Fund	Total
	£	£	£	£
Balance at 1 January 2022	1,875,670	139,689	46,273	2,061,632
Trfs (to)/from Accumulated Income reserve		4,310	7,497	11,807
Investment in property	8,664	-	-	8,664
Transfer for Decent Homes Standard		7,500	7,500	15,000
Balance at 31 December 2022	£1,884,334	£151,499	£61,270	£2,097,103

The Property fund represents internal funds invested in property.
The other funds represent funds set aside for future works on property.

12 Property Revaluation Reserve

	Social Housing Revaluation Reserve	Total
	£	£
Balance at 1 January 2022	714,290	714,290
Movement in the year	-	-
Balance at 31 December 2022	£714,290	£714,290

13 Investment Revaluation Reserve

	Extraordinary Repairs Revaluation	Cyclical Maintenance Revaluation	Total
	£	£	£
Balance at 1 January 2022	146,910	29,661	176,571
Unrealised surplus/(deficit)	(8,251)	(4,027)	(12,278)
Balance at 31 December 2022	£138,659	£25,634	£164,293

14 Accumulated Income Reserve

		£
Balance at 1 January 2022		108,503
(Deficit) Surplus for the year ended 31 December 2022		39,977
Transfer from/(to):		
Investment in property - mortgage repayments	(8,664)	
Investment in property - additions	-	
Designated funds - extraordinary repair fund under spend	(4,310)	
Designated funds - cyclical maintenance fund under spend	(7,497)	
Designated funds - Decent Homes Standard	(15,000)	(35,471)
Balance at 31 December 2022		113,009

16 Analysis of net assets between funds

	Tangible Fixed Assets	Investments	Net Current Assets	Creditors due after one year	Total
	£	£	£	£	£
Permanent endowment funds	-	55,814	-	-	55,814
Designated funds	2,080,710	90,459	122,310	(196,376)	2,097,103
Property revaluation reserve	714,290	-	-	-	714,290
Investment revaluation reserve	-	164,293	-	-	164,293
Accumulated income reserve	-	-	113,009	-	113,009
	£2,795,000	£310,566	£235,319	(196,376)	£3,144,509

KENDAL ALMSHOUSE CHARITY

Registered Charity Number 1172208

Homes England 5097

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Stables Thompson & Briscoe
Chartered Accountants
Statutory Auditors

KENDAL ALMSHOUSE CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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KENDAL ALMSHOUSE CHARITY

CHARITY INFORMATION

Established as CIO	22 March 2017
Principal Office	36 Finkle Street Kendal Cumbria LA9 4AB
Registered Numbers	Registered Charity Number 1172208 Homes and Communities Agency Registration Number A1059
Trustees	Mr P G Ducksbury (Chair) Mrs C Dodwell (Vice Chair) Mrs H Fitch Ms L Gray Mrs J Hale Miss D Lund Mr J Stirling
Managing agent	H & H Land & Estates 36 Finkle Street Kendal Cumbria LA9 4AB Tel: 01539 721375 Fax: 01539 732600
Bankers	Barclays Bank Plc 9 Highgate Kendal Cumbria LA9 4DF
Independent Auditors	Stables Thompson & Briscoe Chartered Accountants Statutory Auditors Lowther House Lowther Street Kendal Cumbria LA9 4DX

The Trustees present their report and the audited financial statements for the year ended 31 December 2022.

Governance, Aims, Structure and Management

Governing Document

The Kendal Almshouse Charity was originally five charitable organisations registered with the Charity Commission. In 1987, the charities were amalgamated to create the Kendal Almshouse Charity under a Memorandum of Association which established the objects and powers of the charitable organisation, dated 2 December 1987. In 2014 the assets and liabilities of Kendal War Memorial Trust were acquired by Kendal Almshouse Charity.

In March 2017, the Charity Commission approved the conversion to a Charitable Incorporated Organisation (CIO). All the assets and operations were transferred into the CIO from June 2017. The Charity Number of the CIO is 1172208.

Recruitment and Appointment of Trustees

There are seven Trustees at the date of this report.

Mr P G Ducksbury remains Chair. Mrs C Dodwell is appointed at Vice Chair. Mr P G Ducksbury is currently Chair of the Finance Committee, Mrs H Fitch is Chair of the Lettings Committee and Miss D Lund is Chair of the Building Committee.

Ten Trustees would be the ideal structure. Trustees are encouraged to "network" to find suitable new Trustees and the Charity advertises positions available.

The skills of the Trustees are regularly reviewed, and they are all encouraged to take a lead in an aspect of the Charity business. Each Trustee is appointed to at least one of the three committees; Finance, Buildings or Lettings.

It is the policy of the Charity to appoint Trustees with experience in the letting of residential property, care of the elderly and those in need, building construction, finance, investment and legal matters.

Trustee Induction and Training

Prior to appointment of new Trustees, the candidates are provided with an induction pack which includes the Governing Instrument and minutes of recent quarterly meetings of the committees and the full Trustees.

The Chair and Clerk meet candidates to discuss the background, history and policy of the Charity, together with the future plans and objectives of the organisation, before their appointment. Each potential Trustee attends a quarterly Trustee meeting, as an observer, before being appointed.

Charity Commission publications are also made available, together with publications from the National Association of Almshouses of which Kendal Almshouse Charity is a member. The standard of Almshouse Management publication is made available for candidates.

New Trustees are issued with a Trustee Handbook which details how the Charity is run and what is expected of them.

The implications of being a Registered Social Housing Provider are also explained to new Trustees.

Organisational Structure

The Finance Committee meets at least every quarter, before each quarterly Trustee meeting. The Letting Committee and Building Committee meet regularly. Recently appointed Trustees are appointed to a specific Committee which is relevant to their experience.

All committees comprise a minimum of three Trustees and operate under terms of reference.

The Letting Committee meets to decide to appoint applicants seeking a home, based on the aims and objectives of the Charity and the circumstances of the individual applicants. It also liaises with the Building Committee as regards upgrading of vacant units.

The function of the Building Committee is to advise the Trustees on major improvements, refurbishment schemes and the conclusions of the quinquennial survey reports. Quinquennial reports are obtained on the general condition of the housing stock with recommendations on improvements and urgent repairs needed. These reports are undertaken by a professional Building Surveyor. Quinquennial inspections were last undertaken in 2019. There are no significant building repairs required but there is an ongoing programme of replacing boilers, internal upgrades and external decoration.

The Building Committee has been concentrating on the proposed redevelopment of the "Romleigh" site which has been vacant since 2019. Planning permission was obtained during 2021 to demolish the bungalow and rebuild with two semi- detached one bedroom dwellings and a new planning application to vary the design was submitted in 2022 (approved February 2023). Following two tender processes, a preferred contractor has been appointed and is expected to be instructed to undertake the work in 2023, subject to confirmation of funding. The Charity has secured total grant funding of £148,000 but is awaiting confirmation of whether Homes England will increase its award. The Charity is in the process of obtaining a loan from Charity Bank in the sum of £480,000, part of which will be used to settle the outstanding Barclays loan, resulting in net borrowings of c.£270,000. The remaining cost of the Romleigh project will be met from the Charity's reserves, further details of which are provided below.

The charity follows the rules and regulations of Homes England.

The Finance Committee monitors the suitability and adequacy of the investments, taking into account the operational and other requirements of the Charity. It normally meets immediately prior to the full trustees meeting, providing accurate and timely reporting.

Risk Management

The investments are monitored by the Finance Committee. The Accountants are Registered Auditors, and the Clerk is a member of the Royal Institute of Chartered Surveyors, H & H Land & Estates.

Together with the existing management structure and administrative arrangements in place, regular monitoring of the agreed risk management policy and applicable indemnity insurance arrangements, the Trustees are satisfied that appropriate risk management practices are in place to meet the needs of the Charity and protect its activities.

To address the potential risk associated with the impending retirement of the Clerk, the Trustees have agreed and signed a Service Level Agreement with the Clerk's professional offices, Chartered Surveyors. The Clerk's Office has instigated the gradual transfer and delegation of the Clerk's duties to colleagues, including the Accounts and Administration Department. The Service Level Agreement is reviewed at each quarterly meeting.

The Trust regularly reviews its policies by looking at two to three at each quarterly meeting. During 2022, up to the present date, almost all the policies and the risk assessment have been reviewed and updated.

Risk Management (continued)

There is some risk associated with the Romleigh project. The financial risk is being managed by securing grant funding and loan finance at the best possible rate, in order to keep use of the reserves in the order of £200,000. Increases in interest rates are a risk and the option to fix the mortgage rate will be kept under review by Trustees.

The properties at Nobles Rest will be charged as security for the Charity Bank loan, as they have been for the Barclays loan.

The risks associated with the construction and project management are mitigated by going through a tender process, putting in place a JTC contract with some contingency and a bond and the appointment of a professional team, including the Architect, Quantity Surveyor and Principle Designer. Saffer Cooper are also providing professional consultancy services in relation to the management of grant funding and claims.

Conflicts of Interest

At the start of each meeting of Trustees, including Committee meetings, attendees are asked to declare any conflicts of interest.

During the period all Trustees signed a declaration that they are not connected to any of the regular suppliers and contractors engaged by the Charity.

Objectives and Activities

Public Benefit

The Charity's principal objective is to provide a wide range of affordable unfurnished homes for those in need and who reside in the town of Kendal, Cumbria, and adjoining parishes, as defined in the Charity's Governing Instrument. Depending on the level of interest from these areas, it is permissible to extend the defined region into the areas formally within the District of South Lakeland and the Borough of Barrow-in-Furness (now within Westmorland & Furness Council).

The Trustees confirm that they have reviewed the Charity Commission's guidance on the provision of public benefit and consider that the public benefit requirement is duly satisfied by the activities carried out in achieving the Charity's objectives.

Vacancies for almshouses are advertised in a local weekly newspaper and on the Charity's website. Applicants are required to complete a detailed application form. All applications are formally considered by the Letting Committee, which will interview applicants as necessary. No restrictions are placed on applications by virtue of gender or for social, religious or ethnic reasons.

Under the provisions of the Governing Instrument, preference is given to persons aged 50 years or more. South Lakeland District Council works closely with the Charity to help identify those in need in the area. The Charity also liaises with Social Services to adapt properties for the benefit of occupiers.

Regular inspections covering the general condition of the Charity's properties are undertaken by the Clerk and where necessary a qualified building surveyor to highlight improvements and other work needed to maintain the buildings in a good state of long-term repair. Additionally, the opportunity is normally taken, when a property becomes vacant, to improve the facilities as necessary. Supporting initiatives involve upgrading the quality of the Charity's housing stock to achieve Decent Homes Standards, a requirement of Homes England as Kendal Almshouse Charity is a Registered Social Housing Provider (RSHP).

Public Benefit (continued)

In 2019 specialist surveyors were engaged to establish any immediate requirements necessary to the housing stock, excluding Sleddal Victoria Almshouses which were substantially refurbished and restored after the 2015 floods, to comply with Decent Home Standard Status. All items highlighted to be addressed in the medium term have been addressed.

Achievements and Performance

Target Rents

The weekly maintenance contributions are maintained within the guidelines of the Homes and Communities Agency. All the housing stock, with the exception of Romleigh, formerly the property of the Kendal War Memorial Trust, are now at target rents. The weekly maintenance contributions were reviewed and increased in line with the Homes England guidelines, with effect from January 2023.

Romleigh remains vacant since the departure of the occupier in 2019. The future redevelopment of the site is mentioned above.

Improvements and Maintenance

Nos 1 – 8, 9, 9A, 9B, 10 and 11 Nobles Rest, are located in a Conservation Area. The window frames, many of which were single glazed metal units, and doors were replaced in March 2022 with a combination of double glazed upvc and timber frames at a total cost of £79,056.

The bank loan of £370,000 obtained to assist with the cost of the refurbishment and restoration of Sleddal Victoria Almshouses after the devastation caused by flooding in 2015, was reduced to £210,258 at the end of the financial year.

Trustees reviewed the strategy on how best to redevelop the site of "Romleigh" during the year and resolved that the most cost effective alternative is to demolish and replace with two "ECO" semi-detached units, despite the significant increase in build costs resulting in a revised estimated cost of £610,000 including professional fees. This is to be financed by Homes England, some of the Charity's reserves and a bank loan. The intention is to start work in 2023.

There is large stone boundary wall at Nobles Rest which requires rebuilding to make it safe. This is expected to cost in the region of £5,000. There are no other significant capital works or improvements proposed for 2023.

Financial Review

An annual budget was considered and agreed by the Trustees at the 2022 and 2023 meetings, based on the recommendations from the National Association of Almshouses for annual amounts for each of the three designated funds, being routine maintenance, extraordinary repairs and cyclical maintenance.

The outcome of the charity's operations for the year ended 31st December 2022 shows an operating surplus in the Statement of Comprehensive Income of £44,605 up £65,585 on 2021, primarily due to less expenditure on routine maintenance, cyclical maintenance and extraordinary repairs. Total comprehensive income was £21,882 for the year which was higher than the total of -£18,051 for 2021 but reduced from the operating surplus due to the downward movement in the fair value of the investments.

The operating costs include pre-development costs relating to Romleigh of £47,173, part of which was offset by a grant received from Homes England of £34,028. It is not proposed to capitalise these costs as they relate to the original design rather than the amended design which will be taken forward. Any costs relating to Romleigh from January 2023 onwards will be capitalised provided the project proceeds.

Reserves Policy

At 31 December 2022 the Charity had a surplus on accumulated income of £116,473 before the long term mortgage of £210,258.

The Trustees have adopted a reserves policy to build a free reserve equivalent to one year's income from weekly maintenance contributions (currently £222,627). The reserve set aside provides financial stability and the means to the development of the principle activity. Our reserve level is set with the knowledge that significant void levels may occur due to the age and type of properties. Trustees are aware that some properties lie within the Kendal Flood Zone and have experience of significant prolonged voids as a consequence of flooding, although flood prevention measures are currently under construction.

The Trustees meet regularly, quarterly, to review the amount of reserves that are required to ensure that they are adequate to fulfil the continuing obligations.

It is proposed to use £100,000 of the accumulated income for the Romleigh project in 2023. This will impact on the Trustees' target for free reserves in the short term. Another £100,000 required for Romleigh is proposed to come from the Emergency Repair Fund investments. The total investments at 31 December 2022 are £310,340.

Investment Policy

The Charity's objective for the investment of funds not required for short-term and medium-term operational reasons is to apply such funds so as to achieve a balance between income generation and capital growth over the longer term, consistent with the degree of risk considered acceptable by the Trustees. Accordingly, the funds are invested in COIF and NAACIF which are considered to provide an adequate spread of risk and an acceptable return and are monitored regularly by the Finance Committee.

Value for money

Kendal Almshouse Charity assesses how it is achieving value for money in delivering its purpose and objectives, in accordance with the regulator's standard on value for money. This means managing resources economically, efficiently and effectively to provide quality services and homes. The Trustees review Target rents, investment performance, expenses and the charity's resources while seeking to achieve decent homes standard and maintain the level of service expected by tenants.

Value for money metrics

Kendal Almshouse Charity is a small provider for the purposes of disclosure of the Value for Money Metrics. Disclosures are as follows:

	2022	2021	2020	2019
Reinvestment %	0%	0%	0%	0%
New supply delivered	0%	0%	0%	0%
Gearing	8%	8%	8%	12%
EBITDA MRI Interest cover	580%	-286%	1115%	713%
Headline Social Housing Cost per unit	£4,535	£5,033	£2,255	£2,411
Operating margin	23%	-11%	26%	46%
Return on Capital Employed	1%	-1%	1%	2%

The Value for Money Metrics are more normal for 2019 and then 2020 and 2021 have been distorted by COVID.

Statement of compliance

Kendal Almshouse Charity as a registered provider of social housing assesses compliance with the Governance and Financial Viability Standard code of Practice issued by the Homes and Communities Agency in April 2015 on an annual basis. The Charity has in place procedures and policies to comply with the code of practice and the trustees review these regularly.

Approved by the Trustees on 17 April 2023 and signed on their behalf by:

P G Ducksbury
Chair

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Charities Acts and registered social housing legislation require 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 the financial statements the Trustees are required to:

- select suitable accounting policies and 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 operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. The Trustees are responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 17 April 2023 and signed on their behalf by:

P G Ducksbury
Chair

Opinion
We have audited the financial statements of Kendal Almshouse Charity for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 December 2022, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the board report; or

- sufficient accounting records have not been kept; or

Matters on which we are required to report by exception continued

- the financial statements are not in agreement with the accounting records; or

- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of the board

As explained more fully in the board's responsibilities statement set out on page 7, the board members (who are also the trustees of the association for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our experience and from discussions with management. We reviewed any related correspondence and records of trustee meetings to assess compliance with laws and regulations and discussed the current position with management. We ensured the audit team were alert for any indications of non-compliance throughout the audit work.

The charitable company is managed by a management company which reduces the risk of fraud. We assessed the management company's policies and procedures on fraud risks. No instances of actual, suspected or alleged fraud were identified by us or the managing company in the year.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of controls. We are not responsible for preventing non-compliance and cannot be expected to detect compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Use of this report

This report is made solely to the association's board, 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 association's board those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's board as a body, for our audit work, for this report, or for the opinions we have formed.

Stables Thompson & Briscoe
Statutory Auditor

Lowther House
Lowther Street
Kendal
Cumbria
LA9 4DX

Date: 22 May 2023

Stables Thompson & Briscoe is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF COMPREHENSIVE INCOME (INCLUDING INCOME AND EXPENDITURE)

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Year ended 31/12/2022		Year ended 31/12/2021	
		£	£	£	£
Turnover					
Maintenance contributions from residents			203,361		193,194
Less: losses from voids			(6,967)		(7,929)
			196,394		185,265
Operating Costs					
Services		34,566		40,265	
Routine maintenance		20,668		25,309	
Cyclical maintenance		29,321		79,022	
Extraordinary repairs		18,202		25,045	
Management		36,000		36,717	
Romleigh development		47,173		-	
			(185,930)		(206,358)
Other income					
Donations and wayleave		113		113	
Grant received from Homes England for Romleigh		34,028		-	
			34,141		113
Operating Surplus/(Deficit)			44,605		(20,980)
Income from fixed asset investments			3,442		3,310
Interest receivable and similar income			220		23
Interest and financing costs			(8,290)		(6,182)
Movement in fair value of investments	5		(18,095)		40,922
Surplus/(Deficit) on Ordinary Activities Before Taxation	3		21,882		17,093
Taxation on surplus on ordinary activities	1 (n)		-		-
Total comprehensive income for the year			21,882		17,093

These financial statements were approved by the Trustees on 17 April 2023 and signed on their behalf by:

P G Ducksbury
Trustee

Mrs C Dodwell
Trustee

The annexed notes form part of these financial statements.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 DECEMBER 2022

	Restricted reserves £	Endowment reserves £	Designated reserves £	Property Revaluation reserve £	Investment Revaluation reserve £	Accumulated income £	Total £
At 31 December 2020 and 1 January 2021	-	54,583	2,081,789	714,290	142,697	112,175	3,105,534
Surplus (deficit) for the period	-	7,048			33,874	(23,829)	17,093
Transfers between reserves	-		(20,157)			20,157	-
Investment in property							-
Total comprehensive income	-	7,048	(20,157)	-	33,874	(3,672)	17,093
At 31 December 2021 and 1 January 2022	-	61,631	2,061,632	714,290	176,571	108,503	3,122,627
Surplus (deficit) for the period	-	(5,817)			(12,278)	39,977	21,882
Transfers between reserves	-		35,471			(35,471)	-
Investment in property							-
Total comprehensive income	-	(5,817)	35,471	-	(12,278)	4,506	21,882
At 31 December 2022	-	55,814	2,097,103	714,290	164,293	113,009	3,144,509

The annexed notes form part of these financial statements.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Notes	31/12/2022		31/12/2021	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	4		2,795,000		2,795,000
Investments	5		310,566		328,661
			3,105,566		3,123,661
Current Assets					
Debtors	6	16,516		16,614	
Bank Current account		33,281		23,559	
Bank Deposit accounts		223,431		185,747	
		273,228		225,920	
Creditors					
Amounts falling due within one year	7	(37,909)		(21,914)	
Net Current Assets			235,319		204,006
Total assets less current liabilities			3,340,885		3,327,667
Creditors					
Amounts falling due after one year	8		(196,376)		(205,040)
Total Net Assets	14		£3,144,509		£3,122,627
The Funds of the Charity					
Permanent endowment funds	10		55,814		61,631
Designated funds	11		2,097,103		2,061,632
Property revaluation reserve	12		714,290		714,290
Investment revaluation reserve	13		164,293		176,571
Accumulated income reserve	14		113,009		108,503
			£3,144,509		£3,122,627

These financial statements were approved by the Trustees on 17 April 2023 and signed on their behalf by:

P G Ducksbury
Trustee

Mrs C Dodwell
Trustee

The annexed notes form part of these financial statements.

1 Principal Accounting Policies

a) **Legal status**

Kendal Almshouse Charity is an Incorporated Charitable Entity (CIO) registered with the Charity Commission on 22 March 2017 (number 1172208) and is a private registered provider of social housing in the United Kingdom.

The Charity constitutes a public benefit entity as defined by FRS 102.

b) **Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2014, and with the Accounting Direction for private registered providers of social housing in England 2015. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Charities Act 2011. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the Registered Provider, and rounded to the nearest £.

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

As a small entity, the Charity is not required to produce a Cash Flow Statement.

c) **Going concern**

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

d) **Tangible fixed assets**

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

The Charity's tangible fixed assets are made up of housing properties which are principally almshouses some of which were acquired in 1887 and have previously been recorded in the accounts at cost, which was well below the existing use value as social housing (EUV - SH) or open market value. When the properties were transferred to the CIO the opportunity was taken to value the properties and the EUV-SH value has been brought into these accounts (see note 4).

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value. In the case of the housing properties held at valuation, depreciation is considered to be immaterial due to the high residual value and so is not provided.

Freehold land is not depreciated. Housing properties under construction are not depreciated until they are in use and the useful economic lives of all tangible fixed assets are reviewed annually.

1 Principal Accounting Policies (continued)

d) Tangible fixed assets (continued)

As the housing properties are now shown at existing use valuation for social housing, and the open market value of these properties is roughly twice the EUV-SH value, the residual value of the properties is considered to be higher than the carrying value and as such depreciation is not provided.

The valuations will be reviewed on a regular basis.

e) Debtors and creditors receivable / payable within one year

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

Rights of social landlords to have improvement works carried out to properties by a third party (such as a local authority) are recognised as prepayments where payment has occurred in advance of the works being carried out and receipts in advance from the same third party recognised as liabilities. Assets and liabilities or income and expenditure are not offset.

f) Investments

Investments are recognised initially at cost. Subsequently, they are measured at fair value through the statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

g) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

h) Social Housing Grants (SHG) and Other Grants

SHG received as a grant towards revenue expenditure is matched against that expenditure by being included in turnover in the income and expenditure account. The related expenditure is included under operating costs. SHG is recognised in the same period as the related expenditure provided the conditions for its receipt have been satisfied and there is reasonable assurance that the grant will be received.

i) Provisions

Provisions are recognised when the Charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Provisions for cyclical maintenance or major works to existing stock are not made unless they represent commitments or obligations at the Balance Sheet date where there is no discretion to avoid or delay the expenditure.

Recycled Capital Grants Fund

Capital grants can be recycled under certain condition, if a property is sold, or if another relevant event takes place. Recycled grants can be used for projects approved by the Homes and Communities Agency (HCA) and they are credited to the Recycled Capital Grant Fund within liabilities.

1 Principal Accounting Policies (continued)

i) **Provisions (continued)**
In certain circumstances, such as the sale of housing properties, capital grants may be repayable, and, in that event, is subordinated to the repayment of other loans by agreement with the Homes and Communities Agency (HCA). It is accounted for as soon as the liability arises within Creditors: Amounts falling due within one year. When any grant to be recycled or repaid is less than the grant relating to the disposal, the difference is treated as abated grant. Abated capital grants are treated as a component of the surplus or deficit on disposal.

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

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Homes and Communities Agency.

Property Managed by Agents
Where the Charity carries the financial risk on property managed by agents, all the income and expenditure arising from the property is included in the Statement of Comprehensive Income.

Where the agency carries the financial risk, the Statement of Comprehensive Income includes only that income and expenditure which relates solely to the Charity.

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

k) **Routine Repairs and Maintenance**
The costs of routine repairs and maintenance are charged to the Income and Expenditure Account in the year in which they are incurred.

l) **Extraordinary Repairs**
Costs of extraordinary repairs, unless representing capital improvements to the properties, are charged to the Income and Expenditure Account in the year in which they are incurred.

m) **Value Added Tax**
Kendal Almshouse Charity is not registered for VAT. In these financial statements, where applicable, expenditure is shown inclusive of VAT.

n) **Current Taxation**
No taxation is payable by Kendal Almshouse Charity since it has charitable status and its charitable activities are exempt from tax.

o) **Designated and Restricted Funds**

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

1 Principal Accounting Policies (continued)

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

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

Endowment funds represent those assets which must be held permanently by the Charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal fees relating to the fund are charged against the fund.

Investment income and gains are allocated to the appropriate fund.

There are three designated funds in these accounts:

Property Fund
This represents that proportion of the cost of properties which was financed by charitable donations and the Charity's own resources.

Cyclical Maintenance Fund
This Fund represents amounts set aside for cyclical maintenance to meet costs in excess of budgeted expenditure for any year.

Extraordinary Repairs Fund
This Fund represents amounts set aside to carry out unexpected repairs and capital improvements on housing properties.

2 Board and key management personnel remuneration

Key management are defined as the Trustees.

None of the Trustees received any emoluments or had reimbursed expenses. The Trustees have a service agreement with H&H Land & Estates who manage the properties on a day to day basis. The management fees payable were as follows:

	31/12/2022 £	31/12/2021 £
Management fees	£45,960	£36,717

3 Surplus on Ordinary Activities

	31/12/2022	31/12/2021
	£	£
Surplus on ordinary activities is stated after charging:		
Auditors' remuneration in their capacity as Auditors	£6,350	£5,976
Surplus/(deficit) on fair value movement of investments	£(18,095)	£40,922

4 Fixed Assets: Freehold Housing Property

	Sledall Vistoria and Aynam Chapel	Nobles Rest	Sandes Hospital	John Aston Watkins	Romleigh and War Memorial Gardens	Total
	£	£	£	£	£	£
Valuation 1 January 2022	1,370,000	715,000	450,000	180,000	80,000	2,795,000
Additions	-	-	-	-	-	-
(Impairment)/ (Reverse revaluation)	-	-	-	-	-	-
Valuation as at 31/12/2022	£1,370,000	£715,000	£450,000	£180,000	£80,000	£2,795,000

The properties were independently valued on the transfer of assets to the CIO by Thomson Associates on 31 May 2018. Two valuations were prepared, one for market value with vacant posession which totalled £5,615,000 and one subject to almshouse and residency restrictions which equates to existing use value - social housing as required by the Housing SORP 2014. The latter is the value used in these accounts to comply with the SORP.

The properties were all held for letting and represented 41 general housing units.

General works to properties amounted to £68,191 (2021 - £129,376).

5 Investments

	Extraordinary Repairs Fund	Permanent Endowment Fund	Cyclical Maintenance Fund	Total
	£	£	£	£
Historical cost at 1 January 2022	46,102	13,714	44,357	104,173
Historical cost at 31 December 2022	£46,102	£13,714	£44,357	£104,173
Market value at 1 January 2022	193,012	61,631	74,018	328,661
Unrealised surplus/(deficit)	(8,251)	(5,817)	(4,027)	(18,095)
Market value at 31 December 2022	£184,761	£55,814	£69,991	£310,566

All the investments are placed with COIF and M&G.

6 Debtors: Amounts Falling Due Within One Year

	31/12/2022	31/12/2021
	£	£
Weekly maintenance contributions	398	776
Less: provision for bad and doubtful debts	-	-
	398	776
Other debtors	-	-
Prepayments	16,118	15,838
	£16,516	£16,614

7 Creditors: Amounts Falling Due Within One Year

	31/12/2022	31/12/2021
	£	£
Trade creditors	17,427	287
Bank loan due within one year	13,882	13,882
Accruals and deferred income	6,600	7,745
	£37,909	£21,914

8 Creditors: Amounts Falling Due After One Year

	31/12/2022	31/12/2021
	£	£
Bank loan due after one year	196,376	205,040
	£196,376	£205,040

The loan is repayable over 20 years by 222 monthly instalments of £2,063.22, with interest charged on a floating rate basis with a margin of 2.6% per annum.

The loan is secured by a legal charge on the freehold housing property.

8 Creditors: Amounts Falling Due After One Year (continued)

Debt analysis

Based on the lenders earliest repayment date, borrowings are repayable as follows:

	31/12/2022	31/12/2021
	£	£
Within one year or on demand	13,882	13,882
One year or more but less than two years	14,354	14,354
Two years or more but less than five years	44,713	44,713
Five years or more	137,309	145,973
	£210,258	£218,922

9 Capital grants received

The charity has received assistance in renovation projects from the Homes and Community Agency and SLDC by way of grants which would only be repayable if the charity were to sell the properties or cease acting as a social housing trust. As this is a remote possibility no provision for these has been made in these accounts. The amounts involved are as follows:

	31/12/2022	31/12/2021
	£	£
Sleddall Victoria and Aynam Chapel	618,960	618,960
Nobles Rest	115,423	115,423
Sandes Hospital	102,197	102,197
John Aston Watkins	27,540	27,540
Romleigh and War Memorial Gardens	34,028	-
	£898,148	£864,120

10 Permanent Endowment Funds

	Permanent Endowment Fund	Investment Revaluation Fund	Total
	£	£	£
Balance at 1 January 2022	13,714	47,917	61,631
Unrealised surplus/(deficit)		(5,817)	(5,817)
Balance at 31 December 2022	£13,714	£42,100	£55,814

11 Designated Funds

	Property Fund	Extraordinary Repairs Fund	Cyclical Maintenance Fund	Total
	£	£	£	£
Balance at 1 January 2022	1,875,670	139,689	46,273	2,061,632
Trfs (to)/from Accumulated Income reserve		4,310	7,497	11,807
Investment in property	8,664	-	-	8,664
Transfer for Decent Homes Standard		7,500	7,500	15,000
Balance at 31 December 2022	£1,884,334	£151,499	£61,270	£2,097,103

The Property fund represents internal funds invested in property.
The other funds represent funds set aside for future works on property.

12 Property Revaluation Reserve

	Social Housing Revaluation Reserve	Total
	£	£
Balance at 1 January 2022	714,290	714,290
Movement in the year	-	-
Balance at 31 December 2022	£714,290	£714,290

13 Investment Revaluation Reserve

	Extraordinary Repairs Revaluation	Cyclical Maintenance Revaluation	Total
	£	£	£
Balance at 1 January 2022	146,910	29,661	176,571
Unrealised surplus/(deficit)	(8,251)	(4,027)	(12,278)
Balance at 31 December 2022	£138,659	£25,634	£164,293

14 Accumulated Income Reserve

		£
Balance at 1 January 2022		108,503
(Deficit) Surplus for the year ended 31 December 2022		39,977
Transfer from/(to):		
Investment in property - mortgage repayments	(8,664)	
Investment in property - additions	-	
Designated funds - extraordinary repair fund under spend	(4,310)	
Designated funds - cyclical maintenance fund under spend	(7,497)	
Designated funds - Decent Homes Standard	(15,000)	(35,471)
Balance at 31 December 2022		113,009

16 Analysis of net assets between funds

	Tangible Fixed Assets	Investments	Net Current Assets	Creditors due after one year	Total
	£	£	£	£	£
Permanent endowment funds	-	55,814	-	-	55,814
Designated funds	2,080,710	90,459	122,310	(196,376)	2,097,103
Property revaluation reserve	714,290	-	-	-	714,290
Investment revaluation reserve	-	164,293	-	-	164,293
Accumulated income reserve	-	-	113,009	-	113,009
	£2,795,000	£310,566	£235,319	(196,376)	£3,144,509

STABLES THOMPSON & BRISCOE

CHARTERED ACCOUNTANTS & REGISTERED AUDITORS

Lowther House, Lowther Street, Kendal, Cumbria LA9 4DX
Tel: (01539) 720465 Fax: (01539) 740209
Email: enquiries@stb-accountants.co.uk www.stb-accountants.co.uk

Our reference: HH/KEN120

14 April 2023

The Trustees
Kendal Almshouse Charity
c/o 36 Finkle Street
Kendal
LA9 4AB

Dear Ladies and Gentlemen,

Kendal Almshouse Charity – Report to Management for the period ended 31 December 2022

It is normal procedure on completion of our audit work to write to inform you of the results of our audit and any findings where we consider that changes should be made to your accounting procedures.

The general findings of our audit were that the charity's financial transactions had been well controlled and that the accounting records had been accurately maintained.

There were a number of matters which arose during the course of our audit which we consider should be brought to your attention, or recommendations for possible improvements which could be made.

These matters came to light during the course of our normal audit tests which are designed to assist us in forming our opinion on the financial statements. Our tests may not necessarily disclose all errors or irregularities and should not be relied upon to do so. However, if any irregularity did come to our attention during our audit tests, we would, of course, inform you immediately.

We would be grateful if you could enter your comments against each point under the "comments" column of the memorandum and return it to us in due course.

We have complied with the Ethical Standard for Auditors and all threats to our independence have been properly addressed through appropriate safeguards. No additional facts or matters have arisen during the course of the audit that we wish to draw to your attention, and we confirm that we are independent and able to express an objective opinion on the financial statements.

This report has been prepared for the sole use of the trustees of the Kendal Almshouse Charity and with the exception of the Homes and Communities Agency Regulation Committee must not be shown to third parties without our prior consent. No responsibilities are accepted by Stables Thompson & Briscoe towards any party acting or refraining from action as a result of this report.

Finally, we would like to express our thanks to all members of the charity's staff who assisted us in carrying out our work.

Yours sincerely

KENDAL ALMSHOUSE CHARITY

SIGNIFICANT MATTERS RELEVANT TO OUR AUDIT FOR THE YEAR ENDED 31 DECEMBER 2022

Audit approach

There were no changes to our audit approach as set out in our meeting with you.

POINTS NOTED, IMPLICATIONS AND RECOMMENDATIONS	COMMENTS
The properties were last valued on 31/05/2018, this value needs to be kept under review and perhaps should be updated once the work on Romleigh has been completed to ensure it reflects the current position.	
Of 34 invoices reviewed 4 had been entered on QuickBooks with incorrect dates, this has been discussed and has not led to any errors to the figures in the accounts.	

Internal controls

The purpose of the audit was for us to express an opinion on the financial statements. The audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Our audit is, therefore, not designed to identify all control weaknesses and the matters reported are limited to those deficiencies that we have identified during the audit.

Summary of audit differences and draft letter of representation

The total unadjusted misstatements identified in our audit work amounted to £315 which was considered to be trivial.

We have sent a draft letter of management representations required in connection with our audit to you separately for approval.

Anticipated audit report

We anticipate that we will issue an unmodified audit report for the year, subject to the satisfactory clearance of any outstanding/unresolved the matters outlined in this report.

KENDAL ALMSHOUSE CHARITY

England & Wales - Charity number 1172208

Accounts

KENDAL ALMSHOUSE CHARITY

Registered Charity Number 1172208

Homes England 5097

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

Stables Thompson & Briscoe
Chartered Accountants
Statutory Auditors

KENDAL ALMSHOUSE CHARITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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KENDAL ALMSHOUSE CHARITY

CHARITY INFORMATION

Established as CIO	22 March 2017
Principal Office	36 Finkle Street Kendal Cumbria LA9 4AB
Registered Numbers	Registered Charity Number 1172208 Homes and Communities Agency Registration Number A1059
Trustees	Mr P G Ducksbury (Chair) Mrs C Dodwell (Vice Chair) Mr R M Cope (Resigned 6th April 2022) Mrs H Fitch Ms L Gray Mrs J Hale (Appointed 11th October 2021) Ms J Hartley (Resigned 10 May 2021) Miss D Lund Mr J Stirling
Managing agent	H & H Land & Estates 36 Finkle Street Kendal Cumbria LA9 4AB Tel: 01539 721375 Fax: 01539 732600
Bankers	Barclays Bank Plc 9 Highgate Kendal Cumbria LA9 4DF
Independent Auditors	Stables Thompson & Briscoe Chartered Accountants Statutory Auditors Lowther House Lowther Street Kendal Cumbria LA9 4DX

KENDAL ALMSHOUSE CHARITY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Governance, Aims, Structure and Management

Governing Document

The Kendal Almshouse Charity was originally five charitable organisations registered with the Charity Commission. In 1987, the charities were amalgamated to create the Kendal Almshouse Charity under a Memorandum of Association which established the objects and powers of the charitable organisation, dated 2 December 1987. In 2014 the assets and liabilities of Kendal War Memorial Trust were acquired by Kendal Almshouse Charity.

In March 2017, the Charity Commission approved the conversion to a Charitable Incorporated Organisation (CIO). All the assets and operations were transferred into the CIO from June 2017. The Charity Number of the CIO is 1172208.

Recruitment and Appointment of Trustees

There are seven Trustees at the date of this report.

An appointed resident's representative attends the quarterly meetings of Trustees but is not a Trustee.

Mr P G Ducksbury remains Chair. Mrs C Dodwell is appointed at Vice Chair.

Ten Trustees would be the ideal structure. Trustees are encouraged to "network" to find suitable new Trustees.

The skills of the Trustees are regularly reviewed, and they are all encouraged to take a lead in an aspect of the Charity business. Each Trustee is appointed to at least one of the three committees; Finance, Buildings or Lettings.

It is the policy of the Charity to appoint Trustees with experience in the letting of residential property, care of the elderly and those in need, building construction, finance, investment and legal matters.

Trustee Induction and Training

Prior to appointment of new Trustees, the candidates are provided with an induction pack which includes the Governing Instrument and minutes of recent quarterly meetings of the committees and the full Trustees.

The Chair and Clerk meet candidates to discuss the background, history and policy of the Charity, together with the future plans and objectives of the organisation, before their appointment. Each potential Trustee attends a quarterly Trustee meeting, as an observer, before being appointed.

Charity Commission publications are also made available, together with publications from the National Association of Almshouses of which Kendal Almshouse Charity is a member. The standard of Almshouse Management publication is made available for candidates.

New Trustees are issued with a Trustee Handbook which details how the Charity is run and what is expected of them.

The implications of being a Registered Social Housing Provider are also explained to new Trustees.

Organisational Structure

The Finance Committee meets at least every quarter, before each quarterly Trustee meeting. The Letting Committee and Building Committee meet regularly. Recently appointed Trustees are appointed to a specific Committee which is relevant to their experience.

Organisational Structure (continued)

All committees comprise a minimum of three Trustees and operate under terms of reference.

The Letting Committee meets to decide to appoint applicants seeking a home, based on the aims and objectives of the Charity and the circumstances of the individual applicants. It also liaises with the Building Committee as regards upgrading of vacant units.

The function of the Building Committee is to advise the Trustees on major improvements, refurbishment schemes and the conclusions of the quinquennial survey reports. Quinquennial reports are obtained on the general condition of the housing stock with recommendations on improvements and urgent repairs needed. These reports are undertaken by a professional Building Surveyor. No quinquennial inspections were undertaken in 2021, but the Building Committee concentrates on the proposed redevelopment of the "Romleigh" site which has been vacant since 2019. Planning permission was obtained during the year to demolish the bungalow and rebuild with two semi-detached dwellings.

The charity follows the rules and regulations of the Homes England.

The Finance Committee monitors the suitability and adequacy of the investments, taking into account the operational and other requirements of the Charity. It normally meets immediately prior to the full trustees meeting, providing accurate and timely reporting.

Risk Management

The investments are monitored by the Finance Committee. The Accountants are Registered Auditors, and the Clerk is a member of the Royal Institute of Chartered Surveyors, H & H Land & Estates.

Together with the existing management structure and administrative arrangements in place, regular monitoring of the agreed risk management policy and applicable indemnity insurance arrangements, the Trustees are satisfied that appropriate risk management practices are in place to meet the needs of the Charity and protect its activities.

To address the potential risk associated with the impending retirement of the Clerk, the Trustees have agreed and signed a Service level Agreement with the Clerk's professional offices, Chartered Surveyors. The Clerk's Office has instigated the gradual transfer and delegation of the Clerk's duties to colleagues, including the Accounts and Administration Department. The Service Level Agreement is reviewed at each quarterly meeting.

Conflicts of Interest

At the start of each meeting of Trustees, including Committee meetings, attendees are asked to declare any conflicts of interest.

During the period all Trustees signed a declaration that they are not connected to any of the regular suppliers and contractors engaged by the Charity.

Objectives and Activities

Public Benefit

The Charity's principal objective is to provide a wide range of affordable unfurnished homes for those in need and who reside in the town of Kendal, Cumbria, and adjoining parishes, as defined in the Charity's Governing Instrument. Depending on the level of interest from these areas, it is permissible to extend the defined region into three District Councils.

Public Benefit (continued)

The Trustees confirm that they have reviewed the Charity Commission's guidance on the provision of public benefit and consider that the public benefit requirement is duly satisfied by the activities carried out in achieving the Charity's objectives.

Vacancies for almshouses are advertised in a local weekly newspaper and on the Charity's website. Applicants are required to complete a detailed application form. All applications are formally considered by the Letting Committee, which will interview applicants as necessary. No restrictions are placed on applications by virtue of gender or for social, religious or ethnic reasons.

Under the provisions of the Governing Instrument, preference is given to persons aged 50 years or more. South Lakeland District Council works closely with the Charity to help identify those in need in the area. The Charity also liaises with Social Services to adapt properties for the benefit of occupiers.

Regular inspections covering the general condition of the Charity's properties are undertaken by the Clerk and where necessary a qualified building surveyor to highlight improvements and other work needed to maintain the buildings in a good state of long-term repair. Additionally, the opportunity is normally taken, when a property becomes vacant, to improve the facilities as necessary. Supporting initiatives involve upgrading the quality of the Charity's housing stock to achieve Decent Homes Standards, a requirement of the Homes England as Kendal Almshouse Charity is a Registered Social Housing Provider (RSHP).

In 2019 specialist surveyors were engaged to establish any immediate requirements necessary to the housing stock, excluding Sleddal Victoria Almshouses which were substantially refurbished and restored after the 2015 floods, to comply with Decent Home Standard Status. All items highlighted to be addressed in the medium term have been addressed.

Achievements and Performance

Target Rents

The weekly maintenance contributions are maintained within the guidelines of the Homes and Communities Agency. All the housing stock, with the exception of Romleigh, formerly the property of the Kendal War Memorial Trust, are now at target rents. The weekly maintenance contributions were reviewed and increased in line with the Homes England guidelines, with effect from November 2021.

Romleigh remains vacant since the departure of the occupier in 2019. The future redevelopment of the site is mentioned above.

Improvements and Maintenance

Nos 1 – 8, 9, 9A, 9B, 10 and 11 Nobles Rest, are located in a Conservation Area. The window frames, many of which are in-efficient single glazed metal units, and doors are in need of replacement. Planning permission was obtained replace the units with a combination of double glazed upvc and timber framed. Work has commenced. The total cost will be £79,056. The work was completed in March 2022.

The bank loan of £370,000 obtained to assist with the cost of the refurbishment and restoration of Sleddal Victoria Almshouses after the devastation caused by flooding in 2015, is reduced £218,922.05 at the end of the financial year.

Trustees reviewed the strategy on how best to redevelop the site of "Romleigh" during the year and resolved that the most cost effective alternative is to demolish and replace with two "ECO" semi-detached units at an estimated cost of £395,000 to be financed by Homes England, some of the Charity's reserves and a bank loan. The intention is to start work in 2022.

Financial Review

An annual budget was considered and agreed by the Trustees at the 2021 and 2022 meetings, based on the recommendations from the National Association of Almshouses for annual amounts for each of the three designated funds, being routine maintenance, extraordinary repairs and cyclical maintenance.

The outcome of the charity's operations for the year ended 31st December 2021 shows an operating deficit in the Statement of Comprehensive Income of £20,980 down £69,137 on 2020 which included the impairment of £45,000 on Romleigh. This was due to the catch up of cyclical maintenance and extraordinary repairs following the difficulties of getting work done under COVID. Total comprehensive income was £17,093 for the year which was lower than the total of £48,594 for 2020 but it would have been a deficit except that the movement in the fair value of the investments was an increase of £40,922 compared to £5,778 last year.

Reserves Policy

At 31 December 2021 the Charity had a surplus on accumulated income of £108,503 before the long term mortgage of £205,040.

The Trustees have adopted a reserves policy to build a free reserve of £198,000 (the equivalent of one year's income from weekly maintenance contributions). The trustees are confident that this can be achieved in the next two years.

The reserve set aside provides financial stability and the means to the development of the principle activity. Our reserve level is set with the knowledge that significant void levels may occur due to the age and type of properties. Trustees are aware that some properties lie within the Kendal Flood Zone and have experience of significant prolonged voids as a consequence of flooding.

The Trustees meet regularly, quarterly, to review the amount of reserves that are required to ensure that they are adequate to fulfil the continuing obligations.

Investment Policy

The Charity's objective for the investment of funds not required for short-term and medium-term operational reasons is to apply such funds so as to achieve a balance between income generation and capital growth over the longer term, consistent with the degree of risk considered acceptable by the Trustees. Accordingly, the funds are invested in COIF and NAACIF which are considered to provide an adequate spread of risk and an acceptable return and are monitored regularly by the Finance Committee.

Value for money

Kendal Almshouse Charity assesses how it is achieving value for money in delivering its purpose and objectives, in accordance with the regulator's standard on value for money. This means managing resources economically, efficiently and effectively to provide quality services and homes. The Trustees review Target rents, investment performance, expenses and the charity's resources while seeking to achieve decent homes standard and maintain the level of service expected by tenants.

Value for money metrics

Kendal Almshouse Charity is a small provider for the purposes of disclosure of the Value for Money Metrics. Disclosures are as follows:

	2021	2020	2019	2018
Reinvestment %	0%	0%	0%	0%
New supply delivered	0%	0%	0%	0%
Gearing	8%	8%	12%	13%
EBITDA MRI Interest cover	-286%	1115%	713%	103%
Headline Social Housing Cost per unit	£5,033	£2,255	£2,411	£3,407
Operating margin	-11%	26%	46%	-211%
Return on Capital Employed	-1%	1%	2%	-9%

The results for 2018 were exceptional due to the renovation of Aynam Road, the Value for Money Metrics are more normal for 2019 and then 2020 and 2021 have been distorted by COVID.

Statement of compliance

Kendal Almshouse Charity as a registered provider of social housing assesses compliance with the Governance and Financial Viability Standard code of Practice issued by the Homes and Communities Agency in April 2015 on an annual basis. The Charity has in place procedures and policies to comply with the code of practice and the trustees review these regularly.

Approved by the Trustees on 11 April 2022 and signed on their behalf by:

P G Ducksbury
Chair

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Charities Acts and registered social housing legislation require 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 the financial statements the Trustees are required to:

- select suitable accounting policies and 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 operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019. The Trustees are responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 11 April 2022 and signed on their behalf by:

P G Ducksbury
Chair

Independent Auditor's report to the Trustees of Kendal Almshouse Charity

Opinion

We have audited the financial statements of Kendal Almshouse Charity for the year ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 December 2021, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the board report; or

- sufficient accounting records have not been kept; or

Matters on which we are required to report by exception continued

- the financial statements are not in agreement with the accounting records; or

- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of the board

As explained more fully in the board's responsibilities statement set out on page 7, the board members (who are also the trustees of the association for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our experience and from discussions with management. We reviewed any related correspondence and records of trustee meetings to assess compliance with laws and regulations and discussed the current position with management. We ensured the audit team were alert for any indications of non-compliance throughout the audit work.

The charitable company is managed by a management company which reduces the risk of fraud. We assessed the management company's policies and procedures on fraud risks. No instances of actual, suspected or alleged fraud were identified by us or the managing company in the year.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of controls. We are not responsible for preventing non-compliance and cannot be expected to detect compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Use of this report

This report is made solely to the association's board, 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 association's board those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's board as a body, for our audit work, for this report, or for the opinions we have formed.

Stables Thompson & Briscoe
Statutory Auditor

Lowther House
Lowther Street
Kendal
Cumbria
LA9 4DX

Date: 9 June 2022

Stables Thompson & Briscoe is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF COMPREHENSIVE INCOME (INCLUDING INCOME AND EXPENDITURE)

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Year ended 31/12/2021		Year ended 31/12/2020	
		£	£	£	£
Turnover					
Maintenance contributions from residents			193,194		190,540
Less: losses from voids			(7,929)		(5,048)
			185,265		185,492
Operating Costs					
Services		40,265		35,683	
Routine maintenance		25,309		12,349	
Cyclical maintenance		79,022		8,452	
Extraordinary repairs		25,045		1,083	
Management		36,717		34,264	
Refurbishment costs		-		612	
Impairment	3	-		45,000	
			(206,358)		(137,443)
Other income					
Donations and wayleave		113		108	
Grants received		-		-	
			113		108
Operating Surplus/(Deficit)			(20,980)		48,157
Income from fixed asset investments			3,310		3,052
Interest receivable and similar income			23		255
Interest and financing costs			(6,182)		(8,648)
Movement in fair value of investments	5		40,922		5,778
Surplus/(Deficit) on Ordinary Activities Before Taxation	3		17,093		48,594
Taxation on surplus on ordinary activities	1 (n)		-		-
Total comprehensive income for the year			17,093		48,594

These financial statements were approved by the Trustees on 11 April 2022 and signed on their behalf by:

P G Ducksbury
Trustee

Mrs C Dodwell
Trustee

The annexed notes form part of these financial statements.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 DECEMBER 2021

	Restricted reserves £	Endowment reserves £	Designated reserves £	Property Revaluation reserve £	Investment Revaluation reserve £	Accumulated income £	Total £
At 31 December 2019 and 1 January 2020	-	53,250	1,948,609	714,290	138,252	202,539	3,056,940
Surplus (deficit) for the period	-	1,333			4,445	42,816	48,594
Transfers between reserves	-		133,180			(133,180)	-
Investment in property							-
Total comprehensive income	-	1,333	133,180	-	4,445	(90,364)	48,594
At 31 December 2020 and 1 January 2021	-	54,583	2,081,789	714,290	142,697	112,175	3,105,534
Surplus (deficit) for the period	-	7,048			33,874	(23,829)	17,093
Transfers between reserves	-		(20,157)			20,157	-
Investment in property							-
Total comprehensive income	-	7,048	(20,157)	-	33,874	(3,672)	17,093
At 31 December 2021	-	61,631	2,061,632	714,290	176,571	108,503	3,122,627

The annexed notes form part of these financial statements.

KENDAL ALMSHOUSE CHARITY

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Notes	31/12/2021		31/12/2020	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	4		2,795,000		2,795,000
Investments	5		328,661		287,739
			3,123,661		3,082,739
Current Assets					
Debtors	6	16,614		16,516	
Bank Current account		23,559		86,856	
Bank Deposit accounts		185,747		158,153	
		225,920		261,525	
Creditors					
Amounts falling due within one year	7	(21,914)		(20,646)	
Net Current Assets			204,006		240,879
Total assets less current liabilities			3,327,667		3,323,618
Creditors					
Amounts falling due after one year	8		(205,040)		(218,084)
Total Net Assets	14		£3,122,627		£3,105,534
The Funds of the Charity					
Permanent endowment funds	10		61,631		54,583
Designated funds	11		2,061,632		2,081,789
Property revaluation reserve	12		714,290		714,290
Investment revaluation reserve	13		176,571		142,697
Accumulated income reserve	14		108,503		112,175
			£3,122,627		£3,105,534

These financial statements were approved by the Trustees on 11 April 2022 and signed on their behalf by:

P G Ducksbury
Trustee

Mrs C Dodwell
Trustee

The annexed notes form part of these financial statements.

1 Principal Accounting Policies

a) **Legal status**

Kendal Almshouse Charity is an Incorporated Charitable Entity (CIO) registered with the Charity Commission on 22 March 2017 (number 1172208) and is a private registered provider of social housing in the United Kingdom.

The Charity constitutes a public benefit entity as defined by FRS 102.

b) **Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2014, and with the Accounting Direction for private registered providers of social housing in England 2015. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Charities Act 2011. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the Registered Provider, and rounded to the nearest £.

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

As a small entity, the Charity is not required to produce a Cash Flow Statement.

c) **Going concern**

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

d) **Tangible fixed assets**

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

The Charity's tangible fixed assets are made up of housing properties which are principally almshouses some of which were acquired in 1887 and have previously been recorded in the accounts at cost, which was well below the existing use value as social housing (EUV - SH) or open market value. When the properties were transferred to the CIO the opportunity was taken to value the properties and the EUV-SH value has been brought into these accounts (see note 4).

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value. In the case of the housing properties held at valuation, depreciation is considered to be immaterial due to the high residual value and so is not provided.

Freehold land is not depreciated. Housing properties under construction are not depreciated until they are in use and the useful economic lives of all tangible fixed assets are reviewed annually.

1 Principal Accounting Policies (continued)

d) **Tangible fixed assets (continued)**
As the housing properties are now shown at existing use valuation for social housing, and the open market value of these properties is roughly twice the EUV-SH value, the residual value of the properties is considered to be higher than the carrying value and as such depreciation is not provided.

The valuations will be reviewed on a regular basis.

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

Rights of social landlords to have improvement works carried out to properties by a third party (such as a local authority) are recognised as prepayments where payment has occurred in advance of the works being carried out and receipts in advance from the same third party recognised as liabilities. Assets and liabilities or income and expenditure are not offset.

f) **Investments**
Investments are recognised initially at cost. Subsequently, they are measured at fair value through the statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

g) **Loans and borrowings**
Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

h) **Social Housing Grants (SHG) and Other Grants**

SHG received as a grant towards revenue expenditure is matched against that expenditure by being included in turnover in the income and expenditure account. The related expenditure is included under operating costs. SHG is recognised in the same period as the related expenditure provided the conditions for its receipt have been satisfied and there is reasonable assurance that the grant will be received.

i) **Provisions**
Provisions are recognised when the Charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Provisions for cyclical maintenance or major works to existing stock are not made unless they represent commitments or obligations at the Balance Sheet date where there is no discretion to avoid or delay the expenditure.

Recycled Capital Grants Fund

Capital grants can be recycled under certain condition, if a property is sold, or if another relevant event takes place. Recycled grants can be used for projects approved by the Homes and Communities Agency (HCA) and they are credited to the Recycled Capital Grant Fund within liabilities.

1 **Principal Accounting Policies (continued)**

i) **Provisions (continued)**

In certain circumstances, such as the sale of housing properties, capital grants may be repayable, and, in that event, is subordinated to the repayment of other loans by agreement with the Homes and Communities Agency (HCA). It is accounted for as soon as the liability arises within Creditors: Amounts falling due within one year. When any grant to be recycled or repaid is less than the grant relating to the disposal, the difference is treated as abated grant. Abated capital grants are treated as a component of the surplus or deficit on disposal.

j) **Turnover and other income**

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

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, revenue grants from the government (local authorities) and the Homes and Communities Agency.

Property Managed by Agents

Where the Charity carries the financial risk on property managed by agents, all the income and expenditure arising from the property is included in the Statement of Comprehensive Income.

Where the agency carries the financial risk, the Statement of Comprehensive Income includes only that income and expenditure which relates solely to the Charity.

Interest and dividends receivable

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

k) **Routine Repairs and Maintenance**

The costs of routine repairs and maintenance are charged to the Income and Expenditure Account in the year in which they are incurred.

l) **Extraordinary Repairs**

Costs of extraordinary repairs, unless representing capital improvements to the properties, are charged to the Income and Expenditure Account in the year in which they are incurred.

m) **Value Added Tax**

Kendal Almshouse Charity is not registered for VAT. In these financial statements, where applicable, expenditure is shown inclusive of VAT.

n) **Current Taxation**

No taxation is payable by Kendal Almshouse Charity since it has charitable status and its charitable activities are exempt from tax.

o) **Designated and Restricted Funds**

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

1 Principal Accounting Policies (continued)

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

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

Endowment funds represent those assets which must be held permanently by the Charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal fees relating to the fund are charged against the fund.

Investment income and gains are allocated to the appropriate fund.

There are three designated funds in these accounts:

Property Fund
This represents that proportion of the cost of properties which was financed by charitable donations and the Charity's own resources.

Cyclical Maintenance Fund
This Fund represents amounts set aside for cyclical maintenance to meet costs in excess of budgeted expenditure for any year.

Extraordinary Repairs Fund
This Fund represents amounts set aside to carry out unexpected repairs and capital improvements on housing properties.

2 Board and key management personnel remuneration

Key management are defined as the Trustees.

None of the Trustees received any emoluments or had reimbursed expenses. The Trustees have a service agreement with H&H Land & Estates who manage the properties on a day to day basis. The management fees payable were as follows:

	31/12/2021	31/12/2020
	£	£
Management fees	£36,717	£34,264

3 Surplus on Ordinary Activities

	31/12/2021	31/12/2020
	£	£
Surplus on ordinary activities is stated after charging:		
Auditors' remuneration in their capacity as Auditors	£5,976	£6,118
Surplus/(deficit) on fair value movement of investments	£40,922	£5,778
Exceptional item:		
Impairment	-	£45,000

The impairment last year related to Romleigh bungalow which is currently empty awaiting redevelopment.

4 Fixed Assets: Freehold Housing Property

	Sledall Vistoria and Aynam Chapel	Nobles Rest	Sandes Hospital	John Aston Watkins	Romleigh and War Memorial Gardens	Total
	£	£	£	£	£	£
Valuation 1 January 2021	1,370,000	715,000	450,000	180,000	80,000	2,795,000
Additions	-	-	-	-	-	-
(Impairment)/ (Reverse revaluation)	-	-	-	-	-	-
Valuation as at 31/12/2021	£1,370,000	£715,000	£450,000	£180,000	£80,000	£2,795,000

The properties were independently valued on the transfer of assets to the CIO by Thomson Associates on 31 May 2018. Two valuations were prepared, one for market value with vacant posession which totalled £5,615,000 and one subject to almshouse and residency restrictions which equates to existing use value - social housing as required by the Housing SORP 2014. The latter is the value used in these accounts to comply with the SORP.

The properties were all held for letting and represented 41 general housing units.

General works to properties amounted to £129,376 (2020 - £21,884).

5 Investments

	Extraordinary Repairs Fund	Permanent Endowment Fund	Cyclical Maintenance Fund	Total
	£	£	£	£
Historical cost at 1 January 2021	46,102	13,714	44,357	104,173
Historical cost at 31 December 2021	£46,102	£13,714	£44,357	£104,173
Market value at 1 January 2021	170,424	54,583	62,732	287,739
Unrealised surplus/(deficit)	22,588	7,048	11,286	40,922
Market value at 31 December 2021	£193,012	£61,631	£74,018	£328,661

All the investments are placed with COIF and M&G.

6 Debtors: Amounts Falling Due Within One Year

	31/12/2021	31/12/2020
	£	£
Weekly maintenance contributions	776	1,250
Less: provision for bad and doubtful debts	-	-
	776	1,250
Other debtors	-	-
Prepayments	15,838	15,266
	£16,614	£16,516

7 Creditors: Amounts Falling Due Within One Year

	31/12/2021	31/12/2020
	£	£
Trade creditors	287	514
Bank loan due within one year	13,882	13,882
Accruals and deferred income	7,745	6,250
	£21,914	£20,646

8 Creditors: Amounts Falling Due After One Year

	31/12/2021	31/12/2020
	£	£
Bank loan due after one year	205,040	218,084
	£205,040	£218,084

The loan is repayable over 20 years by 222 monthly instalments of £2,063.22, with interest charged on a floating rate basis with a margin of 2.6% per annum.

The loan is secured by a legal charge on the freehold housing property.

8 Creditors: Amounts Falling Due After One Year (continued)

Debt analysis

Based on the lenders earliest repayment date, borrowings are repayable as follows:

	31/12/2021	31/12/2020
	£	£
Within one year or on demand	13,882	13,882
One year or more but less than two years	14,354	14,354
Two years or more but less than five years	44,713	44,713
Five years or more	145,973	159,017
	£218,922	£231,966

9 Capital grants received

The charity has received assistance in renovation projects from the Homes and Community Agency and SLDC by way of grants which would only be repayable if the charity were to sell the properties or cease acting as a social housing trust. As this is a remote possibility no provision for these has been made in these accounts. The amounts involved are as follows:

	31/12/2021	31/12/2020
	£	£
Sleddall Victoria and Aynam Chapel	618,960	618,960
Nobles Rest	115,423	115,423
Sandes Hospital	102,197	102,197
John Aston Watkins	27,540	27,540
Romleigh and War Memorial Gardens	-	-
	£864,120	£864,120

10 Permanent Endowment Funds

	Permanent Endowment Fund	Investment Revaluation Fund	Total
	£	£	£
Balance at 1 January 2021	13,714	40,869	54,583
Unrealised surplus/(deficit)		7,048	7,048
Balance at 31 December 2021	£13,714	£47,917	£61,631

11 Designated Funds

	Property Fund	Extraordinary Repairs Fund	Cyclical Maintenance Fund	Total
	£	£	£	£
Balance at 1 January 2021	1,862,626	135,866	83,297	2,081,789
Trfs (to)/from Accumulated Income reserve		(3,677)	(44,524)	(48,201)
Investment in property	13,044	-	-	13,044
Transfer for Decent Homes Standard		7,500	7,500	15,000
Balance at 31 December 2021	£1,875,670	£139,689	£46,273	£2,061,632

The Property fund represents internal funds invested in property.
The other funds represent funds set aside for future works on property.

12 Property Revaluation Reserve

	Social Housing Revaluation Reserve	Total
	£	£
Balance at 1 January 2021	714,290	714,290
Movement in the year	-	-
Balance at 31 December 2021	£714,290	£714,290

13 Investment Revaluation Reserve

	Extraordinary Repairs Revaluation	Cyclical Maintenance Revaluation	Total
	£	£	£
Balance at 1 January 2021	124,322	18,375	142,697
Unrealised surplus/(deficit)	22,588	11,286	33,874
Balance at 31 December 2021	£146,910	£29,661	£176,571

14 Accumulated Income Reserve

		£
Balance at 1 January 2021		112,175
(Deficit) Surplus for the period ended 31 December 2021		(23,829)
Transfer from/(to):		
Investment in property - mortgage repayments	(13,044)	
Impairment of property to property fund		
Designated funds - extraordinary repair fund over spend	3,677	
Designated funds - cyclical maintenance fund over spend	44,524	
Designated funds - Decent Homes Standard	(15,000)	20,157
Balance at 31 December 2021		108,503

16 Analysis of net assets between funds

	Tangible Fixed Assets	Investments	Net Current Assets	Creditors due after one year	Total
	£	£	£	£	£
Permanent endowment funds	-	61,631	-	-	61,631
Designated funds	2,080,710	90,459	95,503	(205,040)	2,061,632
Property revaluation reserve	714,290	-	-	-	714,290
Investment revaluation reserve	-	176,571	-	-	176,571
Accumulated income reserve	-	-	108,503	-	108,503
	£2,795,000	£328,661	£204,006	(205,040)	£3,122,627